HARTMANN

ANNUAL REPORT 2015

UNPACKING OUR POTENTIAL

Contents


RETAILER
10 fresh
free range eggs
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10 fresh
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Class A

Unpacking our potential

Hartmann's strategy 'Unpacking our potential' delivered good results in 2015. We identified our key potential, and we are committed to balancing growth against efficiency across markets and business areas.

The addition of the South American activities was the main driver of growth in 2015, and the process of integrating the new business was satisfactory and progressed in line with our plans. Our factories in Brazil and Argentina are performing well and made a positive contribution to the group's results, despite the macroeconomic challenges and significant exchange rate fluctuations that marked the region during the year. The positive trend in North America continued as a result of our utilisation of the expanded production capacity in Canada and increased sales of premium products.

We continued the activities required to enhance efficiency in Europe where price competition intensified during the year. This led to measures being taken at our factories and offices, and our production in Germany is scheduled for closure in Q2 2016 as a result of this. This is coupled with expansion of capacity at our other factories to accommodate growing demand for quality packaging among our customers.

We launched a number of initiatives in 2015. Some of them have been fully implemented, but most of them will continue in 2016 and onwards. In South and North America, the currently ongoing establishment of three factories – in Brazil, Argentina and Missouri, USA – is high on our agenda. And in Europe, our efforts to achieve efficiency gains continue so that we can create a strong platform for growth and progress also in this region.

The cycle of growth and efficiency is fundamental for achieving the progress envisaged in our 'Unpacking our potential' strategy. We will remain focused on this, even beyond 2017 and the achievement of our current goals. There will always be something new we can do better, which is why our strategy is about constantly *pursuing* our potential – and creating strong results in the process.

Ulrik Kolding Hartvig
CEO

Agnete Raaschou-Nielsen
Chairman

Highlights

Hartmann generated strong results that were in line with our expectations for 2015 and form a platform for meeting our financial targets for 2017. The integration of the South American activities, the expansion in North America and the ongoing activities to enhance efficiency in Europe progressed according to plan. We expect the positive trend to continue in 2016 through expansion of capacity and optimisation of operations across our markets.

Q4 2015

- Hartmann lifted revenue to DKK 564 million (2014: DKK 478 million) and operating profit* to DKK 78 million (2014: DKK 75 million), corresponding to a profit margin* of 13.9% (2014: 15.8%). The positive development was mainly attributable to the addition of the South American activities and utilisation of the expanded production capacity in North America.

- Europe generated revenue of DKK 348 million (2014: DKK 377 million), and operating profit was DKK 43 million (2014: DKK 57 million), corresponding to a profit margin of 12.4% (2014: 15.1%). The development could be attributed to a lower contribution from Hartmann Technology and the group's combined heat and power plant in Denmark, while increased sales of moulded-fibre packaging contributed positively to the development.

- For the Americas, revenue reached DKK 216 million (2014: DKK 100 million), and operating profit grew to DKK 41 million (2014: DKK 25 million), corresponding to a profit margin of 19.0% (2014: 25.2%). The development was driven by the addition of the South American activities and organic growth in North America.

2015

- Revenue was DKK 2,133 million (2014: DKK 1,615 million), operating profit increased to DKK 234 million (2014: DKK 163 million), lifting the profit margin to 11.0% (2014: 10.1%), and special costs amounted to DKK 101 million (2014: DKK 7 million). Return on invested capital was 21.7% (2014: 22.3%).

- The Board of Directors proposes dividends of DKK 9.50 (2014: DKK 9.50) per share.

- Hartmann's European business reported revenue of DKK 1,248 million (2014: DKK 1,296 million), operating profit of DKK 112 million (2014: DKK 128 million) and a profit margin of 9.0% (2014: 9.9%).

- The North and South American activities generated revenue of DKK 886 million (2014: DKK 319 million), and operating profit reached DKK 146 million (2014: DKK 60 million), corresponding to a profit margin of 16.5% (2014: 18.7%).

Outlook for 2016 and targets for 2017

- In 2016, revenue is expected to be DKK 2.1-2.2 billion and the profit margin 11-12.5%.

- We maintain our financial targets for 2017 of revenue of DKK 2.2-2.4 billion and a profit margin of 12-14%.

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

“ Our business generated positive results in line with our expectations for 2015, and we continue to balance growth against efficiency improvement measures for continued stable and profitable growth. The year 2016 will be another exciting year with a key focus on establishing our new American factories, strengthening our European business and developing products in order to create added value for our customers.

Ulrik Kolding Hartvig, CEO

Key figures and financial ratios

DKKm

Group	2015	2014	2013	2012	2011
Statement of comprehensive income					
Revenue	2,133	1,615	1,579	1,544	1,488
Operating profit/(loss)	234	163	148	114	124
Special items	(101)	(7)	(39)	0	0
Financial income and expenses, net	(23)	(17)	(15)	(8)	(16)
Profit/(loss) before tax	111	139	95	107	108
Profit/(loss) for the year	111	119	86	93	76
Comprehensive income	1	117	77	104	26
Cash flows					
Cash flows from operating activities	221	141	178	153	155
Cash flows from investing activities	(512)	(98)	(112)	(57)	(35)
Cash flows from financing activities	332	(33)	(86)	(46)	(108)
Total cash flows	41	10	(20)	51	12
Balance sheet					
Assets	1,720	1,244	1,126	1,141	1,108
Investments in property, plant and equipment	186	99	115	62	41
Net working capital	257	175	155	131	117
Invested capital	1,055	736	689	655	653
Net interest-bearing debt	495	161	138	137	171
Equity	598	663	612	600	560
Financial ratios, %					
Profit margin	11.0	10.1	9.4	7.4	8.3
Return on invested capital (ROIC)	21.7	22.3	23.0	16.7	17.6
Return on equity	17.1	19.2	14.9	15.7	13.4
Equity ratio	34.7	53.3	54.4	52.6	50.6
Gearing	82.8	24.2	22.6	22.8	30.5
Share-based financial ratios					
No. of shares	7,015,090	7,015,090	7,015,090	7,015,090	7,015,090
Earnings per share, DKK (EPS)	16.1	17.2	12.4	13.4	11.0
Cash flows per share, DKK	32.0	20.4	25.7	22.2	22.4
Dividend per share, DKK (proposed)	9.50	9.50	9.50	9.50	9.25
Book value per share, DKK	86.4	95.8	88.5	86.8	81.0
Market price per share, DKK	271.0	173.0	167.0	110.5	101.0
Market price/book value per share	3.1	1.8	1.9	1.3	1.2
Price/earnings	16.9	10.1	13.4	8.3	9.2
Payout ratio, %	60.0	56.1	77.5	72.0	85.0
Market value	1,901.1	1,213.6	1,171.5	775.2	708.5
Employees					
Average no. of full-time employees	2,070	1,461	1,487	1,506	1,489

Earnings per share is calculated in accordance with IAS 33. See note 14 to the financial statements. The other financial ratios are calculated in accordance with 'Recommendations & Financial Ratios 2015', issued by the Danish Finance Society. See note 38 to the financial statements.

2015 in review

DEVELOPMENTS IN Q4 2015

Revenue increased to DKK 564 million in Q4 2015 (2014: DKK 478 million) driven by the addition of the South American activities in early 2015, utilisation of the expanded production capacity in North America and increased sales of egg packaging in Europe. Revenue for the Americas grew to DKK 216 million (2014: DKK 100 million), while revenue in Europe amounted to DKK 348 million (2014: DKK 377 million), attributable to a lower contribution from Hartmann Technology and the power plant at Hartmann's Danish factory.

In Q4 2015, operating profit grew to DKK 78 million (2014: DKK 75 million), corresponding to a profit margin of 13.9% (2014: 15.8%). Operating profit for the Americas grew to DKK 41 million (2014: DKK 25 million), corresponding to a profit margin of 19.0% (2014: 25.2%), and operating profit for Europe was DKK 43 million (2014: DKK 57 million), corresponding to a profit margin of 12.4% (2014: 15.1%).

Cash flows from operating activities were a net inflow of DKK 65 million (2014: net inflow of DKK 49 million), while cash flows from investing activities were a net outflow of DKK 86 million (2014: net outflow of DKK 24 million). Cash flows from financing activities were a net inflow of DKK 10 million (2014: net outflow of DKK 13 million).

STATEMENT OF COMPREHENSIVE INCOME

Revenue

Total revenue rose to DKK 2,133 million (2014: DKK 1,615 million), meeting our revenue guidance for 2015 of DKK 2.0-2.1 billion. Fluctuations in exchange rates impacted revenue favourably by DKK 77 million.

Europe

The European business reported revenue of DKK 1,248 million (2014: DKK 1,296 million), the overall performance being attributable to a lower contribution from Hartmann Technology and our power plant. We boosted our sales of egg packaging but saw a drop in the average selling price as a consequence of intensifying price competition in several markets in 2015. Hartmann's stepped-up measures to stabilise the group's selling prices had an immediate positive effect, and the measures will be continued in the period ahead.

Americas

Revenue for the Americas increased to DKK 886 million (2014: DKK 319 million) as a result of the addition of the South American activities in early 2015 and utilisation of the expanded production capacity in North America.

The North American revenue growth was driven by utilisation of the expanded production capacity and a higher proportion of premium products. Capacity utilisation at the Canadian factory was at a satisfactory high level at the end of the year. Significant exchange rate fluctuations also contributed positively to the trend.

The South American business showed strong performance based on high capacity utilisation at the four factories and, as expected, it was relatively resilient to the macroeconomic challenges and significant exchange rate volatility witnessed in the region.

Operating profit

Operating profit for 2015 grew to DKK 234 million (2014: DKK 163 million), corresponding to a profit margin of 11.0% (2014: 10.1%), and we delivered on our profit margin guidance of 10-11.5%. The positive trend in operating profit was attributable to the addition of the South American activities in early 2015 and utilisation of the

Selected key figures and financial ratios, DKKm*

	Q4 2015	Q3 2015	Q2 2015	Q1 2015	Q4 2014
Revenue	564	508	480	581	478
Operating profit/(loss)	78	52	42	62	75
Special items	(3)	(84)	(14)	0	(7)
Financial income and expenses, net	1	(13)	(18)	7	(6)
Profit/(loss) for the period	81	(35)	9	56	53
Total cash flows	(10)	(6)	86	(29)	12
Profit margin, %	13.9	10.2	8.8	10.6	15.8

* The selected key figures and financial ratios are unaudited.

expanded production capacity in North America. Fluctuations in exchange rates impacted operating profit favourably by DKK 50 million.

Europe
The European business reported operating profit of DKK 112 million (2014: DKK 128 million), corresponding to a profit margin of 9.0% (2014: 9.9%). While the average selling price fell, our sales of egg packaging grew, and this development – combined with exchange rate fluctuations and lower energy prices – contributed to an unchanged operating profit from sales of egg packaging. The overall development in operating profit was attributable to lower revenue from Hartmann Technology and our combined heat and power plant.

Americas
Operating profit for the Americas grew to DKK 146 million (2014: DKK 60 million), corresponding to a profit margin of 16.5% (2014: 18.7%). The positive trend in operating profit was driven by higher revenue from the addition of the South American activities in early 2015 and utilisation of the expanded production capacity in North America, combined with foreign exchange gains.

Corporate functions
Costs related to corporate functions came to DKK 25 million in 2015 (2014: DKK 25 million).

Special items
Special items was a net expense of DKK 101 million (2014: a net expense of DKK 7 million) resulting from write-downs and other costs in connection with the closure of our factory in Germany initiated and scheduled for H1 2016 and organisational adjustments at the European factories and at our head office. See note 11 to the financial statements.

Financial income and expenses
Financial income and expenses amounted to a net expense of DKK 23 million for 2015 (2014: an expense of DKK 17 million). Foreign exchange gains were a positive contributor, partially offsetting increased interest expenses resulting from an increase in interest-bearing debt from the acquisition of the South American activities.

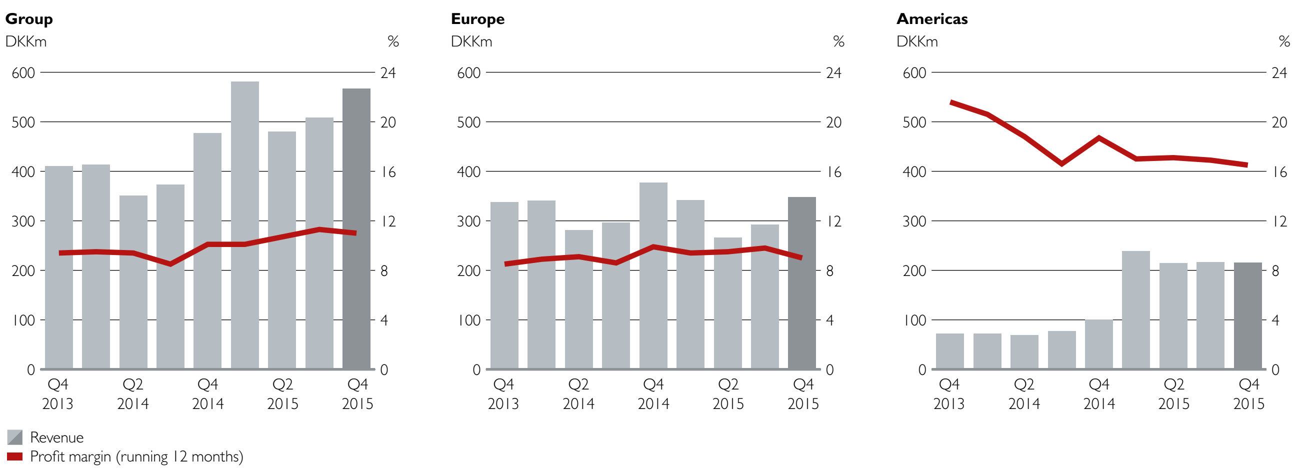
Profit for the year
Profit before tax amounted to DKK 111 million for 2015 (2014: DKK 139 million), and tax on profit for the year was DKK 0 million (2014: DKK 20 million), corresponding to an effective tax rate of 0% (2014: 15%). See note 13 to the financial statements. Tax for the year was favourably impacted by an expected higher rate of utilisation of previously unrecognised tax-loss carry forwards in North America.

Profit for the year after tax was DKK 111 million (2014: DKK 119 million).

Comprehensive income
Comprehensive income was DKK 1 million (2014: DKK 117 million), the change being primarily attributable to foreign exchange rate adjustment of subsidiaries in Argentina, Brazil and Canada. See note 34 to the financial statements.

Investments and cash flows
At 31 December 2015, property, plant and equipment and intangible assets stood at DKK 807 million (2014: 571 million). Investments for 2015 came to DKK 187 million (2014: DKK 99 million), and depreciation and amortisation amounted DKK 93 million (2014: DKK 71 million).

Revenue and profit margin



The Americas segment consists of Hartmann's activities in North and South America. The South American activities contributed to our performance as from Q1 2015.

Total cash flows from operating activities increased to a net inflow of DKK 221 million in 2015 (2014: net inflow of DKK 141 million) as a result of the increase in operating profit.

Cash flows from investing activities amounted to a net outflow of DKK 512 million (2014: net outflow of DKK 98 million) as a result of the acquisition of the South American activities and a higher investment level. Total cash flows from operating and investing activities thus amounted to a net outflow of DKK 291 million (2014: net inflow of DKK 43 million).

Cash flows from financing activities amounted to a net inflow of DKK 332 million (2014: a net outflow of DKK 33 million).

Net interest-bearing debt at 31 December 2015 was DKK 495 million (2014: DKK 161 million). The development was attributable to long-term loans obtained to finance the acquisition of the South American activities.

Financial resources amounted to DKK 438 million at 31 December 2015, comprising cash and cash equivalents and undrawn credit facilities on loans and overdrafts. Hartmann's loans are subject to customary financial covenants. See note 33 to the financial statements.

BALANCE SHEET

Total assets stood at DKK 1,720 million at 31 December 2015 (2014: DKK 1,244 million).

ROIC
Return on invested capital was 21.7% in 2015 (2014: 22.3%).

Equity
Hartmann's equity stood at DKK 598 million at year-end (2014: DKK 663 million). The equity ratio was 35% (2014: 53%), and gearing was 83% (2014: 24%). The change was attributable to increased interest-bearing debt, special costs and foreign exchange adjustments of subsidiaries.

Earnings per share came to DKK 16.1 (2014: DKK 17.2). At the annual general meeting to be held on 11 April 2016, the Board of Directors will propose a dividend payout of DKK 9.50 (2014: DKK 9.50) per share, equivalent to a payout ratio of 69% (2014: 56%).

PARENT COMPANY

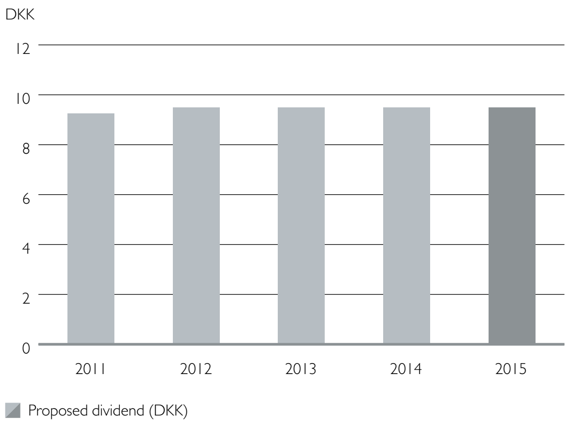
The parent company reported revenue of DKK 1,299 million (2014: DKK 1,250 million), and operating profit of DKK 35 million (2014: DKK 47 million). Profit for the year was DKK 218 million (2014: DKK 140 million), the positive development being attributable to reversal of previous years' impairment of investments in subsidiaries and special costs.

EVENTS AFTER THE BALANCE SHEET DATE

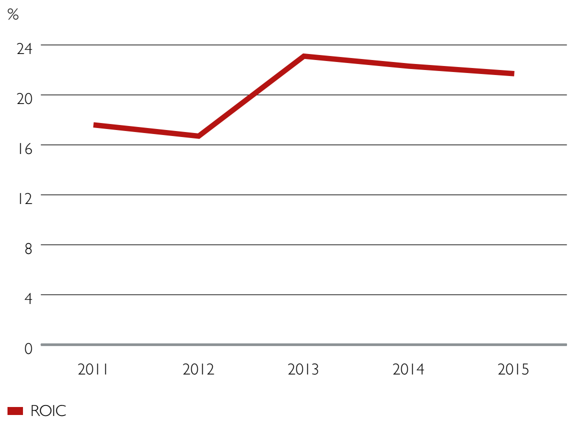
In company announcement no. 1/2016 of 13 January 2016, following consultations with employee representatives, Hartmann announced that the group's German factory is scheduled for closure in Q2 2016 as previously proposed. Production will be transferred to other European factories where capacity is currently being expanded.

In company announcement no. 2/2016, Hartmann announced the group's intention to invest some USD 30 million in setting up production in the US midwest with the aim of continuing the positive trend in sales in North America.

Dividend



ROIC



Outlook

Based on our strategy 'Unpacking our potential', we intend to further enhance efficiency and accelerate growth towards 2017.

Outlook for 2016

For 2016, we expect to report revenue of DKK 2.1-2.2 billion and a profit margin of 11-12.5% through efficiency gains in the European business and the expansion of the production network initiated in South America.

Targets for 2017

Until the end of 2017, we aim to grow revenue to DKK 2.2-2.4 billion and achieve a profit margin of 12-14% through efficiency gains and organic growth by utilisation of our expanded capacity.

The objective of Hartmann's operations and investments is to ensure our shareholders a continued attractive return on invested capital (ROIC) of at least 22% by the end of 2017.

The effect of any potential acquisitions is not included in the targets.

Assumptions

Hartmann's revenue and profit margin guidance for 2016 reflects the expansion of our production network in South America, including the addition of the two factories that are currently being built and scheduled for completion in 2016. Any deviations from the assumptions may affect our 2016 performance. Due to seasonal fluctuations, our operating profit is generally higher for the first and fourth quarters than for the second and third quarters.

Outlook and targets

	2016	2017
Revenue	DKK 2.1-2.2bn	DKK 2.2-2.4bn
Profit margin	11-12.5%	12-14%

FORWARD-LOOKING STATEMENTS

The forward-looking statements in this annual 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 which 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 or amendments to legislation and regulation in our markets, changes in demand for products, competition and the prices of raw materials. See also the section on risk factors and note 33 to the financial statements.

Strategy

With our strategy 'Unpacking our potential', we have defined the framework for Hartmann's development until the end of 2017. In 2015, we took the first steps and we achieved good results in our two key focus areas: growth and efficiency.

Following the addition of the South American activities in early 2015 and the expansion of the production network initiated in North and South America, the strategic work is balanced in the Americas so that growth initiatives will be gradually supplemented by additional efficiency improvement initiatives in the period ahead. We are committed to accommodating demand among our existing and new customers, and the expansion of the American business creates a platform for growing our customer portfolio based on added production capacity, a wider geographical coverage and the ability to secure supplies in the event of unintentional production stoppages at a factory. On this background, we will ensure utilisation of the new production capacity and over time create a foundation for additional expansion.

In our European business, we continue to prioritise enhancing our competitive strength and efficiency by optimising our utilisation of the production platform and reducing costs. These measures will gradually be complemented by initiatives to drive growth. Our current efficiency improvement initiatives are aimed at expanding production capacity and increasing flexibility and the quality of our deliveries. We are committed to continuously developing our products so that we can offer our customers the most attractive marketing options and the smoothest and most efficient operations in the packaging and logistics areas. Also, we are working to optimise our product portfolio and drive the transition from standard to premium packaging by creating awareness of the commercial benefits of this among our customers.

So, Hartmann's strategic work continues with the aim of creating an even better offering to our customers and strengthening our existing market positions while we continue to evaluate potential acquisitions in attractive markets. Against this background, we expect to increase revenue to DKK 2.2-2.4 billion and our profit margin to 12-14% in 2017 (excluding effects of potential acquisitions) by unpacking our potential:

OUR POTENTIAL

Leveraging and expanding our **strong positions** in existing markets and assessing the possibilities for global growth through expansion of the production network and potential acquisitions of attractive businesses.

Applying and developing our **proven technological competencies** to fuel production optimisation, machine sales and new partnership agreements.

Tailoring our **versatile product portfolio** to the specific demand patterns in existing markets and increasing sales of transport packaging as well as standard and premium products.

Optimising and expanding our **well-established production platform** and generating a more efficient and flexible production.

'Unpacking our potential' forms the basis of our ambition for Hartmann to become a global market leader within egg packaging, a leading manufacturer of fruit packaging in selected markets and the preferred supplier of related technology.

OUR INITIATIVES

Potential	Initiatives	Timing
	Addition of South American activities through the integration of Sanovo Greenpack • *We have strengthened Hartmann's global position through our presence in the attractive growth markets in South America.*	2015
	Expansion of production network in South America through the establishment of two factories in Argentina and Brazil • *We are expanding production capacity in order to accommodate growing demand in these markets, which are characterised by favourable demographic trends and rising urbanisation.*	2015-2016
	Expansion of production network in North America by setting up a new factory in Missouri, USA • *We are expanding our production capacity and our presence in North America in order to maintain the positive trend in sales and exploit demographic trends and the long-term transition to moulded-fibre packaging.*	2016-2017
	Expansion of production capacity at European factories • *We are increasing our total production capacity and exploiting our existing infrastructure in order to better accommodate customer demand, boost profitability and create a platform for growth.*	2015-2016
	Closure of factory in Schwedt, Germany • *We are strengthening our competitive edge and profitability in the European business through efficiency improvements and optimisation of the production network.*	2015-2016
	Increased marketing of premium products in Europe • *We are driving the transition from standard to premium packaging, which offers marketing and logistics benefits for our customers and ensures production and profitability gains for us.*	
	Increased marketing of premium products in North America • *We are creating awareness of the advantages premium products offer and introducing new product types in order to give our customers the best options and to further consolidate our market position.*	
	Sales of technology and services and evaluation of prospective business partners or investments in businesses in attractive markets • *We bring our technology know-how into play by developing our own factories and by marketing our expertise to customers outside our existing markets, and in the assessment of potential new markets.*	

Markets and products

As a manufacturer of moulded-fibre packaging, Hartmann operates in several diverse markets with varying product offerings that are continuously adapted to regional needs. Hartmann's aggregate product portfolio comprises both retail packaging for eggs and transport packaging for eggs and fruit.

Retail packaging for eggs is our main product category. The segmentation into standard and premium products varies on each market depending on factors such as the maturity of the retail trade, the penetration of moulded-fibre packaging and focus on sustainability.

For sales of egg and fruit packaging, our main markets are Europe and North and South America, while Hartmann Technology sells its machinery, technology and services for manufacturing of moulded-fibre packaging globally – and mostly outside of Hartmann's markets.

The demand for egg and fruit packaging is generally stable and not particularly sensitive to economic fluctuations. However, exchange rate fluctuations may affect South American fruit exports and, by extension, sales of fruit packaging, and the demand for both egg and fruit packaging is to some extent seasonal. Hartmann's primary markets are highly competitive and dominated by a few large and medium-sized players.

Hartmann has developed and launched new product lines, which have been standard-setters for quality packaging. The development of innovative products strengthens Hartmann's position as the customers' preferred supplier and entails a number of advantages in manufacturing and transport. For this reason, we have protected our intellectual property rights in order to actively protect our rights in our products and trademarks.

In 2015, we continued our product development based on our commitment to accommodating our customers' demand for continuous optimisation of marketing options in the premium segment for egg packaging and developing other products that satisfy the needs of our customers and facilitate production process optimisation and production capacity enhancement at our factories. Our strengthened customer offering and our initiatives to optimise efficiency at our factories will be supported by improved digital interaction with our customers in the period ahead.

Europe

With a market share of about 40%, Hartmann is the leading manufacturer of egg packaging in the moderately mature European markets, many of which were characterised by fierce price competition in 2015. We expect to see a growth rate of about 3% during the strategy period. The rate of growth will vary across national borders but is generally driven by growing demand for retail packaging through continued penetration and professionalisation of the retail trade, along with an ongoing transition from plastic to moulded-fibre packaging.

Capacity in Europe is being expanded through optimisation of the existing production network, where the German factory is scheduled for closure with its production being transferred to other European factories that are currently being expanded.

North America

In North America, our moulded-fibre products represent slightly more than 15% of the total market for egg packaging in moulded fibre, plastic and foam. Market growth in North America is expected to be around 3%, driven by conversion to moulded-fibre packaging and increasing egg consumption. Customers are increasingly demanding premium products, a segment in which Hartmann holds a strong market position and has recently launched an innovative hybrid-packaging product combining a bottom of protective moulded fibre with a top of folding carton, which offers excellent marketing opportunities.

Our North American capacity is being expanded through the establishment of a factory in Missouri, USA, with the aim of continuing the positive sales trend and offering our products to existing and new customers based on added production capacity, a wider geographical coverage and the ability to secure supplies in the event of unintentional production stoppages at a factory. The product range to be manufactured at the new factory will target the growing premium segment, with Hartmann's skills and know-how and global product portfolio driving growth.

South America

Hartmann has a market leading position in Brazil and Argentina where we sell both egg and fruit packaging, covering about one third of the demand for egg packaging.

Hartmann's market share of fruit packaging is about one fifth in Brazil and about half in Argentina. Aggregate market growth in South America is expected to be at the level of 4-7% driven by growing demand, favourable demographic trends and continued urbanisation.

We are expanding our capacity in South America by setting up a factory in Brazil and one in Argentina in order to accommodate customer demand and continue and accelerate growth in the region.

Hartmann Technology

The Hartmann group's technology, machinery and related services are sold globally, primarily outside our primary markets. Hartmann Technology assists customers in meeting growing demand for moulded-fibre packaging, and its technology know-how is regularly used in the expansion and optimisation of Hartmann's own production network.

Risk factors

Hartmann is exposed to operating risks, which we monitor and actively address on an ongoing basis. The Executive Board is responsible for identifying and managing risks in compliance with the policies approved by the Board of Directors. Together with the audit committee, the Executive Board and the Board of Directors review the risks that may affect Hartmann's operational and financial targets. The purpose of risk management is to identify the various risk areas, determine how to manage these risks and ensure an optimal balance between risk and return.

COMMERCIAL RISKS

Reliance on customers
Hartmann's customer portfolio is well-diversified and consists of several large customers as well as many small customers. Our customer portfolio is developing towards fewer and larger customers, and we expect to become more reliant on this customer group in future.

Demand for eggs and fruit
Our core business consists of sales of egg and fruit packaging, which are sensitive to demand for eggs and fruit. The consumption of eggs and fruit can be influenced by a variety of factors beyond our control, including consumers' health perceptions, regional export and trade conditions, fear of potential health effects posed by diseases among laying hens, etc. Consumption, and hence the demand for Hartmann's products, is driven by demographic trends and has historically been resilient to slowdowns in economic growth.

Reliance on suppliers
We contract with a number of suppliers of recycled paper, energy and other raw materials used in our production. If contracts with one or more of these suppliers are terminated or breached, or the suppliers fail to meet their contractual obligations for other reasons, we may not be able to source the necessary raw materials, or we may be compelled to make purchases from alternative suppliers and not necessarily on the same terms.

Hartmann has contracted with several different suppliers of recycled paper, energy and other raw materials.

Fluctuations in raw material prices
Hartmann is dependent on the purchase prices of the raw materials used in our production. In particular, the company is exposed to fluctuations in the purchase price of recycled paper and energy (electricity and gas), which are the most important raw materials in our 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 regularly sign fixed-price agreements with energy suppliers, typically for 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 the countries in which we operate.

We are committed to reducing our sensitivity to fluctuations in raw material prices through continuous implementation of technological improvements and optimisation of work processes.

Power plant
In 2008, district heating company Tønder Fjernvarme filed a complaint with the Danish Energy Regulatory Authority concerning the pricing of district heating supplied by our combined heat and power plant. On 4 September 2015, the Secretariat of the Danish Energy Regulatory Authority made a decision in the matter, which concerns the years 2003-2014, which Hartmann appealed to the Danish Energy Board of Appeal. See company announcement no. 10/2015 of 4 September 2015 and note 3 to the financial statements. If the decision by the Secretariat of the Energy Regulatory Authority is upheld, Hartmann will incur costs of roughly DKK 50 million, adversely affecting cash flows by about DKK 10 million. Based on an internal review of the matter and indications from external advisers, management believes that the Energy Board of Appeal is very likely to reverse the decision.

ENVIRONMENTAL AND SOCIAL RISKS

Environmental risks

Hartmann's activities, including production, sales, use, storage and disposal of products, are subject to a number of environmental laws and regulations. Environmental risk is monitored both locally and centrally at our head office, in order to prevent, remedy or minimise any adverse effect on the external environment. We use and expect to continue to use considerable resources to observe and comply with environmental laws and regulations in the countries in which we operate.

We are subject to various rules, including rules governing noise reduction, waste water discharge and waste disposal and the rules of the EU CO_2 emission trading system. Our policy is to operate all production facilities in an environmentally responsible manner and in compliance with sustainability principles. A number of Hartmann's production facilities are ISO 14001-certified.

For more information about sustainable development, see 'Corporate social responsibility' or visit csr2015.hartmann-packaging.com.

Corporate social relations and risks

We give high priority to measures safeguarding health and safety at the workplace, protecting human values in society at large as well as the people who are in contact with Hartmann or with Hartmann's products. Hartmann has processes in place to ensure that health and safety conditions at the workplace comply with our group-wide regulations and that we handle our corporate social responsibility in an effective and efficient manner and act as a responsible player in the countries where we operate.

INSURANCE

Hartmann has a comprehensive insurance programme reflecting the scope and extent of operations and their geographical location. The insurance programme is reviewed annually by an insurance broker, and adjustments are made on an ongoing basis to support the development of the business.

The single most significant risk is the total loss of a factory from fire since the re-establishment of production facilities would be very time consuming and involve the risk of business interruption and loss of market share.

Consequently, Hartmann has taken out an all risk insurance policy for all production facilities covering fire damage, consequential loss and other incidents. Also, we work systematically to prevent injury and damage, and a risk management programme has been set up with the help of an insurance broker. Hartmann's insurance programme includes commercial and product liability, property and contents, consequential loss, work-related accidents, personal injury and environmental liability.

FINANCIAL RISKS

Our financial results and equity are influenced by a number of financial risks, including interest rate, foreign exchange, liquidity and credit risks.

Financial risk management is concentrated in our corporate finance function.

Forward contracts are used for hedging some of the financial risks that may arise out of our commercial activities. Hartmann does not engage in speculative transactions. We hedge our transaction risk to the effect that primary currencies are continuously hedged for a period of not less than 9 and not more than 12 months.

Financial risks and financial risk management are described in detail in note 33 to the financial statements.

Corporate social responsibility

Our activities and achievements within corporate social responsibility are described in our Global Compact progress report for 2015, which is available at csr2015.hartmann-packaging.com in compliance with sections 99 a and 99 b of the Danish Financial Statements Act. The information in the report is a presentation of our key CSR activities in 2015.

Consumers and retail chains in the mature markets continue to demand more and more of the sustainability of packaging. Because of this, our CSR activities form an integral part of our business model with sustainability as a competitive advantage and an essential parameter in the marketing of many of our products.

Continued reduction of CO_2 emissions

Our efforts to reduce our CO_2 emissions continued in 2015, and we implemented and launched a number of efficiency improvement measures that helped reduce our CO_2 equivalent emissions by 4.5% from the 2012 level. At our Danish factory, for example, we reduced energy consumption from the energy-intensive drying process by training staff and enhancing waste handling efficiency by streamlining our collaboration with suppliers and introducing new types of containers.

The efforts to meet our 2020 target of a 25% reduction from the end-2012 level continue through:

- Investment in new process technology
- Optimisation of existing technology
- Product development
- Waste reduction
- Increased share of renewable energy in production

Unsatisfactory results of safety activities

Despite a strong focus on reducing the number of work-related accidents per million working hours (LTI-FR) in 2015, we did not achieve the targeted results.

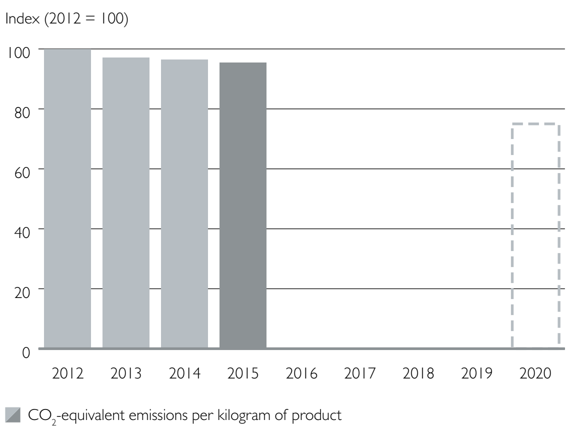
The activities included installation of new safety equipment in some of our factory print shops where the number of work accidents is relatively high compared with other production areas. Moreover, we arranged safety and quality training for our staff, and we worked to increase awareness of potential risks associated with certain processes and areas. These efforts will continue and be stepped up in 2016 in order to reverse this unsatisfactory trend, and we expect to reduce the number of work-related accidents per million working hours against the 2015 level.

Focus on anti-corruption

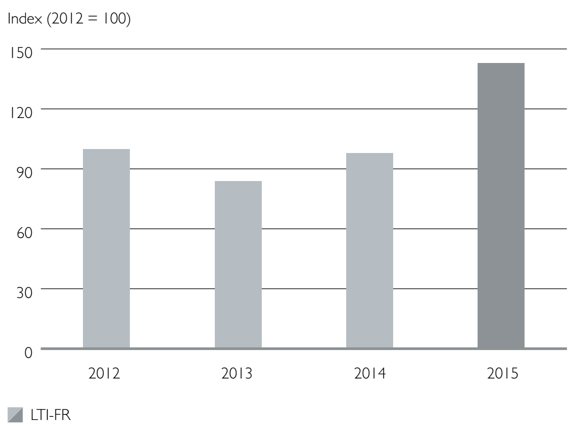
Hartmann's anti-corruption programme was fully rolled out in 2014, and 37 selected employees were trained and undertook to comply with the policy in 2015.

Also, we remained focused on ensuring that suppliers acknowledge and respect the responsibility that comes with being one of Hartmann's suppliers. Our work to ensure compliance with the Hartmann anti-corruption principles resulted in 18 inspections at suppliers. No collaboration agreements were terminated in 2015 as a result of these inspections.

CO_2 equivalent emissions



Work-related accidents



Shareholder information

Share capital
Hartmann has one class of shares, and each share carries one vote. Accordingly, all shareholders have equal access to submit proposals and to attend, speak and vote at general meetings. Our shares are negotiable instruments with no restrictions on their transferability, and they are issued to bearer. There were no changes to Hartmann's share capital in 2015.

Hartmann's Board of Directors has been authorised by the shareholders in the period until 11 April 2016 to arrange for Hartmann to acquire treasury shares with a nominal value of up to DKK 14,030,180 at the market price from time to time, subject to a deviation of up to 10%.

The Hartmann share
Our share opened 2016 at a price of DKK 173.0 and closed the year at DKK 271.0, up 57% from the prior year level. Including the dividends paid of DKK 9.50 per share, the Hartmann share yielded a return of 62%.

On 17 December 2015, Nasdaq Copenhagen announced that the Hartmann share would move from the Small Cap segment to the Mid Cap segment as from 4 January 2016. Hartmann has a market making agreement, which ensures that bid and ask prices are continually quoted for the Hartmann share.

Stock exchange	Nasdaq Copenhagen
Index	Mid Cap
ISIN	DK0010256197
Symbol	HART
No. of shares	7,015,090
Denomination	DKK 20
Nominal share capital	DKK 140,301,800
Bloomberg code	HART:DC

Ownership
At the end of 2015, Hartmann had approximately 2,400 registered shareholders, representing 6.6 million shares in aggregate, or 94% of the share capital.

The following shareholder has notified us that it holds 5% or more of the share capital:

- Thornico Holding A/S and related parties, Copenhagen, Denmark (68.6%)

At 31 December 2015, Hartmann held treasury shares representing 1.4% of the share capital.

At 31 December 2015, the members of Hartmann's Board of Directors and Executive Board held 0.2% of the share capital. The members of the Board of Directors and Executive Board are registered on Hartmann's insider list, and they may only trade in Hartmann shares during a four-week period following the release of profit announcements or other similar financial announcements, as set out in Hartmann's internal rules. Trades in shares by insiders who are subject to a reporting duty are reported and published in accordance with the provisions of the Danish Securities Trading Act and Hartmann's internal rules.

Dividend
The Board of Directors takes the general view that excess capital should be distributed in the form of dividends or share buy-backs in order to generally maintain Hartmann's equity ratio at a maximum of 45%. However, the distribution of capital will always take into account our growth plans and liquidity needs. At the annual general meeting to be held on 11 April 2016, the Board of Directors will propose that the company distribute dividends of DKK 9.50 (2014: DKK 9.50) per share for the financial year ended 31 December 2015, corresponding to DKK 66 million and a payout ratio of 69%.

Remuneration of the Executive Board
If a controlling interest in Hartmann changes ownership, the notice period for members of the Executive Board is extended from 12 to a maximum of 24 months effective from the day on which the shares are sold. The extended notice will apply up to 18 months after the transfer.

Investor relations
Hartmann's goal is to provide investors and analysts with the best possible insight into matters deemed relevant in ensuring an effective and fair pricing of the share. Our Executive Board and Investor Relations handle relations with investors and analysts, taking into consideration regulatory requirements and our corporate governance standards. Hartmann participates in selected seminars and holds individual meetings with Danish and international investors and analysts. For a period of four weeks up to the publication of the annual report, interim reports or other financial announcements, Hartmann does not comment on matters relating to the financial results or outlook.

Electronic communication
Hartmann communicates electronically with its shareholders, which allows us to quickly and efficiently convene general meetings and distribute relevant information. Shareholders can sign up for electronic communication at the InvestorPortal through investor.hartmann-packaging.com.

FINANCIAL CALENDAR 2016

11 April 2016	Annual general meeting
24 May 2016	Interim report Q1 2016
18 August 2016	Interim report Q2 2016
9 November 2016	Interim report Q3 2016

Corporate Governance

Hartmann's statutory report on corporate governance for the 2015 financial year (see section 107 b of the Danish Financial Statements Act) is available at corporategovernance2015.hartmann-packaging.com.

The report contains a detailed account of Hartmann's management structure as well as a description of the main elements of our internal controls and risk management systems relating to financial reporting.

The report furthermore describes our position on the recommendations by the Danish Committee on Corporate Governance as implemented in Nasdaq Copenhagen's Rules for issuers of shares. In 2015, we complied with the vast majority of the corporate governance recommendations, with the following exceptions:

- Our Board of Directors has not established a nomination committee.
- Our Board of Directors has not established a remuneration committee.

Management structure
Hartmann has a two-tier management structure comprising the Board of Directors and the Executive Board. The Board of Directors is elected by the shareholders and supervises the Executive Board. The Board of Directors and the Executive Board are independent of each other.

The Board of Directors is responsible for the overall management of the company and resolves matters relating to strategic development, budgets, risk factors, acquisitions and divestment as well as major development and investment projects.

In addition, the Board of Directors determines the Executive Board's employment terms and salary, which consists of a fixed annual salary and a performance-related cash bonus, depending on results achieved. Hartmann's remuneration policy is available at investor.hartmann-packaging.com, and the remuneration paid for 2015 is specified in note 9 to the financial statements.

The Executive Board is appointed by the Board of Directors and is responsible for the company's day-to-day management, including operational development, results of operations and internal development. The Executive Board is responsible for executing the strategy and the overall decisions approved by the Board of Directors.

The Board of Directors has set up an audit committee whose duties primarily comprise the areas of risk management, preparation of financial statements, financial reporting and internal controls. The committee consists of two board members or more, and it convenes at least five times a year and reports regularly to the Board of Directors.

Board of Directors and Executive Board

BOARD OF DIRECTORS

Agnete Raaschou-Nielsen (1957)
Joined the Board of Directors in 2010
Chairman since 2010

Executive Vice President, COO of Aalborg Portland A/S until 2011. Former Managing Director of Zacco Denmark A/S, General Manager of Coca-Cola Tapperierne A/S and Group Vice President of Carlsberg A/S. Now only engages in board work and similar work. Special expertise in the international processing industry, production, sales, management and treasury.

Directorships
Chairman: Arkil Holding A/S and one subsidiary.
Vice chairman: Dalhoff Larsen & Horneman A/S, Solar A/S (audit committee) and the investment funds Danske Invest, Danske Invest Select, Profil Invest and ProCapture and the capital associations Danske Invest Institutional and AP Invest.
Board member: Aktieselskabet Schouw & Co. (audit committee), Danske Invest Management A/S, Icopal Holding A/S and two subsidiaries and Novozymes A/S (audit committee).

No. of shares held: 2,000

Niels Hermansen (1953)
Joined the Board of Directors in 2006
Vice Chairman since 2014

CEO of Stjerneskansen Holding ApS. Managing Director of packaging company Neoplex/Mondi Packaging Nyborg A/S until 2005 and, before that, Managing Director of Fritz Hansen A/S. Now only engages in board work and similar work.

Special expertise in general business management in the processing and packaging industries.

Directorships
Chairman: Dinex A/S, Fredericia Furniture A/S, Idavang A/S (audit committee) and Vikan A/S.
Board member: Nito A/S, Stjerneskansen Holding A/S, Vissing Holding A/S and Vissingfonden.

No. of shares held: 0

Jørn Mørkeberg Nielsen (1961)
Joined the Board of Directors in 2011
Member of the audit committee

CEO of Xilco Holding CH AG (parent company of Sonion A/S).

Special expertise in international management, innovation management, business-to-business sales and marketing, production optimisation and financial management.

Directorships
Chairman: Five subsidiaries of Xilco Holding CH AG.

No. of shares held: 2,700

Steen Parsholt (1951)
Joined the Board of Directors in 2013
Chairman of the audit committee

Nordic head of Aon and member of its European management team until 2005. Former Group CEO of NCM Holding, Amsterdam, and Citibank, including as CEO in Denmark. Now only engages in board work and similar work.

Special expertise in international management, treasury and finance.

Directorships
Chairman: Dades A/S, Equinox Global Ltd. (UK), Nopco ASA, Nyscan A/S, Nyscan Biler A/S and Nyscan Holding A/S.
Vice chairman: SFK Systems A/S.
Board member: Ejendomsaktieselskabet af 1. maj 2015, Glitnir HoldCo ehf, Unwire ApS and Unwire Holding ApS.

No. of shares held: 2,781

BOARD OF DIRECTORS – cont'd

Jan Peter Antonisen* (1965)
Joined the Board of Directors in 2008

Team Leader Substitute, Brødrene Hartmann A/S, Tønder, Denmark, since 1993.

No. of shares held: 0

Niels Christian Petersen* (1954)
Joined the Board of Directors in 2010

Service Operator, Brødrene Hartmann A/S, Tønder, Denmark, since 1988.

No. of shares held: 72

Andy Hansen* (1977)
Joined the Board of Directors in 2014

Boiler Attendant, Brødrene Hartmann A/S, Tønder, Denmark, since 2004.

No. of shares held: 56

* Board member elected by the employees for the period until the 2018 annual general meeting.

EXECUTIVE BOARD

Ulrik Kolding Hartvig (1969)
CEO of Brødrene Hartmann A/S since 2014. Has previously held management positions in Denmark and abroad in Danish industrial companies operating internationally. Prior to joining Hartmann, he was Senior Vice President of FLSmidth in charge of Global Customer Services Cement.

Directorships
Board member: Handelsbanken, Filial af Svenska Handelsbanken AB (publ), Sweden.

No. of shares held: 3,135

Marianne Rørslev Bock (1963)
CFO of Brødrene Hartmann A/S since 2012. Extensive international management experience and strong expertise in finance, treasury, taxation and IT. Prior to joining Hartmann, she was Senior Vice President Corporate Finance, Danisco. State-authorised Public Accountant.

Directorships
Board member: Danish Financial Supervisory Authority (chair of accounting sub-committee) and Kemp & Lauritzen A/S (remuneration committee).

No. of shares held: 1,250

FINANCIAL STATEMENTS

Contents

Consolidated and parent company financial statements

Statement of comprehensive income

DKKm

		Group		Parent company	
Note		2015	2014	2015	2014
5	Revenue	2,133.4	1,614.6	1,299.4	1,250.2
6	Production costs	(1,446.6)	(1,104.6)	(1,019.1)	(967.0)
	Gross profit/(loss)	**686.8**	**510.0**	**280.3**	**283.2**
7	Selling and distribution costs	(364.0)	(290.4)	(187.1)	(187.4)
8	Administrative expenses	(89.8)	(59.5)	(58.6)	(51.4)
10	Other operating income	0.8	2.9	0.0	2.8
	Operating profit/(loss) before special items	**233.8**	**163.0**	**34.6**	**47.2**
11	Special items	(100.5)	(7.0)	(85.0)	(7.0)
	Operating profit/(loss)	**133.3**	**156.0**	**(50.4)**	**40.2**
20	Profit/(loss) after tax in associates	0.1	0.1	-	-
12	Financial income	7.8	1.8	352.4	122.9
12	Financial expenses	(30.4)	(18.7)	(18.7)	(13.5)
	Profit/(loss) before tax	**110.8**	**139.2**	**283.3**	**149.6**
13	Tax on profit/(loss) for the year	0.2	(20.3)	13.4	(10.0)
	PROFIT/(LOSS) FOR THE YEAR	**111.0**	**118.9**	**296.7**	**139.6**
	Items that cannot be reclassified to profit or loss:				
26	Actuarial gains/(losses) on pension obligations	(12.4)	(15.2)	0.0	0.0
13	Tax	3.5	4.0	0.0	0.0
	Items that can be reclassified to profit or loss:				
	Foreign exchange adjustment of:				
	Foreign subsidiaries	(99.4)	6.5	-	-
	Equity-like loans to subsidiaries	0.8	2.1	-	-
	Value adjustment of hedging instruments:				
	Recognised in other comprehensive income	(20.3)	(10.8)	(4.8)	(7.2)
	Transferred to revenue	14.4	7.7	7.0	4.2
	Transferred to production costs	0.3	1.3	0.3	1.3
	Transferred to financial income and expenses	2.2	2.4	1.5	2.4
13	Tax	0.7	(0.4)	(1.0)	(0.2)
	Other comprehensive income after tax	**(110.2)**	**(2.4)**	**3.0**	**0.5**
	COMPREHENSIVE INCOME	**0.8**	**116.5**	**299.7**	**140.1**
14	Earnings per share, DKK	16.1	17.2	-	-
14	Earnings per share, DKK, diluted	16.1	17.2	-	-

Statement of cash flows

DKKm

		Group		Parent company	
Note		2015	2014	2015	2014
	Operating profit/(loss) before special items	233.8	163.0	34.6	47.2
	Depreciation and amortisation	92.5	70.6	33.1	33.4
15	Adjustment for other non-cash items	(0.8)	(0.1)	0.0	0.0
15	Change in working capital etc.	(44.0)	(38.2)	42.4	39.3
	Restructuring costs etc. paid	(12.0)	(23.1)	(12.0)	(23.1)
	Cash generated from operations	**269.5**	**172.2**	**98.1**	**96.8**
	Interest etc. received	6.4	1.8	2.1	2.4
	Interest etc. paid	(30.3)	(10.8)	(11.7)	(8.3)
	Net income tax paid	(24.5)	(22.3)	(9.0)	(2.9)
	Cash flows from operating activities	**221.1**	**140.9**	**79.5**	**88.0**
	Disposals of property, plant and equipment	0.5	0.6	0.0	0.0
	Acquisitions of intangible assets	(1.0)	0.0	(1.0)	0.0
	Acquisitions of property, plant and equipment	(186.4)	(98.6)	(17.6)	(37.1)
	Dividend received from subsidiaries	-	-	33.0	53.3
	Government grants received	2.0	0.9	0.0	0.0
36	Acquisitions of subsidiaries	(327.1)	0.0	(300.0)	0.0
	Acquisitions of associates	0.0	(0.9)	0.0	(0.9)
	Capital injections in subsidiaries	-	-	(0.1)	0.0
	Cash flows from investing activities	**(512.0)**	**(98.0)**	**(285.7)**	**15.3**
	Cash flows from operating and investing activities	**(290.9)**	**42.9**	**(206.2)**	**103.3**
	Raising of non-current debt	402.5	261.5	400.0	261.5
	Repayment of non-current debt	(5.1)	(229.0)	(59.1)	(229.0)
	Subsidiaries' raising of non-current loans	-	-	(65.2)	(92.5)
	Subsidiaries' repayment of non-current loans	-	-	17.6	32.8
	Dividend paid	(65.7)	(65.7)	(65.7)	(65.7)
	Cash flows from financing activities	**331.7**	**(33.2)**	**227.6**	**(92.9)**
	Total cash flows	**40.8**	**9.7**	**21.4**	**10.4**
	Cash at 1 January	56.0	45.7	26.0	15.4
	Foreign exchange adjustment	7.2	0.6	(0.4)	0.2
	Cash at 31 December	**104.0**	**56.0**	**47.0**	**26.0**
	Recognition of cash at 31 December:				
	Cash and cash equivalents	128.9	56.0	47.0	26.0
	Overdraft facilities	(24.9)	0.0	0.0	0.0
		104.0	**56.0**	**47.0**	**26.0**

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

Balance sheet, assets

DKKm

		Group		Parent company	
Note		2015	2014	2015	2014
	Goodwill	65.5	10.7	10.7	10.7
	Other intangible assets	35.6	0.0	1.0	0.0
16	**Intangible assets**	**101.1**	**10.7**	**11.7**	**10.7**
	Land and buildings	136.0	141.3	17.4	20.1
	Technical plant and machinery	436.7	379.4	101.6	105.5
	Fixtures and fittings, tools and equipment	14.9	10.6	9.8	7.8
	Technical plant under construction	118.5	29.2	15.4	27.0
17	**Property, plant and equipment**	**706.1**	**560.5**	**144.2**	**160.4**
18	Investments in subsidiaries	-	-	1,061.0	451.6
19	Receivables from subsidiaries	-	-	191.6	145.1
20	Investments in associates	2.9	2.8	1.2	1.2
21	Other receivables	5.1	7.0	0.0	0.0
22	Deferred tax	120.8	109.7	13.8	0.0
	Other non-current assets	**128.8**	**119.5**	**1,267.6**	**597.9**
	Non-current assets	**936.0**	**690.7**	**1,423.5**	**769.0**
23	Inventories	213.9	131.2	87.7	55.8
24	Trade receivables	353.6	311.0	219.6	237.7
	Receivables from subsidiaries	-	-	37.6	9.8
	Income tax	8.1	3.2	0.0	0.0
	Other receivables	63.5	42.7	25.8	17.3
	Prepayments	16.3	9.1	6.5	6.5
	Cash and cash equivalents	128.9	56.0	47.0	26.0
	Current assets	**784.3**	**553.2**	**424.2**	**353.1**
	Assets	**1,720.3**	**1,243.9**	**1,847.7**	**1,122.1**

Balance sheet, equity and liabilities

DKKm

		Group		Parent company	
Note		2015	2014	2015	2014
25	Share capital	140.3	140.3	140.3	140.3
	Hedging reserve	(4.9)	(2.5)	1.7	(1.3)
	Translation reserve	(147.6)	(48.7)	-	-
	Retained earnings	544.3	507.9	625.4	394.4
	Proposed dividend	65.7	65.7	65.7	65.7
	Equity	**597.8**	**662.7**	**833.1**	**599.1**
22	Deferred tax	7.1	20.3	0.0	11.3
26	Pension obligations	51.5	43.5	0.0	0.0
34	Credit institutions	589.5	216.6	558.2	216.6
27	Government grants	11.9	14.6	2.0	2.7
	Non-current liabilities	**660.0**	**295.0**	**560.2**	**230.6**
34	Credit institutions	9.5	0.0	0.0	0.0
27	Government grants	2.4	2.5	0.7	0.7
34	Overdraft facilities	24.9	0.0	0.0	0.0
	Prepayments from customers	32.1	32.0	28.9	32.0
	Trade payables	156.6	148.6	61.7	86.4
	Payables to subsidiaries	-	-	195.7	104.4
	Payables to associates	5.7	3.4	5.7	3.4
	Income tax	13.7	8.5	10.9	7.4
28	Provisions	75.6	2.6	75.3	2.1
29	Other payables	142.0	88.6	75.5	56.0
	Current liabilities	**462.5**	**286.2**	**454.4**	**292.4**
	Liabilities	**1,122.5**	**581.2**	**1,014.6**	**523.0**
	Equity and liabilities	**1,720.3**	**1,243.9**	**1,847.7**	**1,122.1**

Statement of changes in equity

DKKm

Group	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividend	Total equity
Equity at 1 January 2015	**140.3**	**(2.5)**	**(48.7)**	**507.9**	**65.7**	**662.7**
Profit/(loss) for the year	**-**	**-**	**-**	**45.3**	**65.7**	**111.0**
Items that cannot be reclassified to profit or loss						
Actuarial gains/(losses) on defined benefit plans	-	-	-	(12.4)	-	(12.4)
Tax	-	-	-	3.5	-	3.5
Items that can be reclassified to profit or loss						
Foreign exchange adjustment of:						
Foreign subsidiaries	-	-	(99.4)	-	-	(99.4)
Equity-like loans to subsidiaries	-	-	0.8	-	-	0.8
Value adjustment of hedging instruments:						
Recognised in other comprehensive income	-	(20.3)	-	-	-	(20.3)
Transferred to revenue	-	14.4	-	-	-	14.4
Transferred to production costs	-	0.3	-	-	-	0.3
Transferred to financial income and expenses	-	2.2	-	-	-	2.2
Tax	-	1.0	(0.3)	-	-	0.7
Other comprehensive income	**0.0**	**(2.4)**	**(98.9)**	**(8.9)**	**0.0**	**(110.2)**
Total comprehensive income	**0.0**	**(2.4)**	**(98.9)**	**36.4**	**65.7**	**0.8**
Transactions with owners						
Dividend paid	-	-	-	-	(65.7)	(65.7)
Changes in equity in 2015	**0.0**	**(2.4)**	**(98.9)**	**36.4**	**0.0**	**(64.9)**
Equity at 31 December 2015	**140.3**	**(4.9)**	**(147.6)**	**544.3**	**65.7**	**597.8**

Equity at 1 January 2014	**140.3**	**(3.0)**	**(57.0)**	**465.9**	**65.7**	**611.9**
Profit/(loss) for the year	**-**	**-**	**-**	**53.2**	**65.7**	**118.9**
Items that cannot be reclassified to profit or loss						
Actuarial gains/(losses) on defined benefit plans	-	-	-	(15.2)	-	(15.2)
Tax	-	-	-	4.0	-	4.0
Items that can be reclassified to profit or loss						
Foreign exchange adjustment of:						
Foreign subsidiaries	-	-	6.5	-	-	6.5
Equity-like loans to subsidiaries	-	-	2.1	-	-	2.1
Value adjustment of hedging instruments:						
Recognised in other comprehensive income	-	(10.8)	-	-	-	(10.8)
Transferred to revenue	-	7.7	-	-	-	7.7
Transferred to production costs	-	1.3	-	-	-	1.3
Transferred to financial income and expenses	-	2.4	-	-	-	2.4
Tax	-	(0.1)	(0.3)	-	-	(0.4)
Other comprehensive income	**0.0**	**0.5**	**8.3**	**(11.2)**	**0.0**	**(2.4)**
Total comprehensive income	**0.0**	**0.5**	**8.3**	**42.0**	**65.7**	**116.5**
Transactions with owners						
Dividend paid	-	-	-	-	(65.7)	(65.7)
Changes in equity in 2014	**0.0**	**0.5**	**8.3**	**42.0**	**0.0**	**50.8**
Equity at 31 December 2014	**140.3**	**(2.5)**	**(48.7)**	**507.9**	**65.7**	**662.7**

Statement of changes in equity

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Parent company	Share capital	Hedging reserve	Retained earnings	Proposed dividend	Total equity
Equity at 1 January 2015	**140.3**	**(1.3)**	**394.4**	**65.7**	**599.1**
Profit/(loss) for the year	**-**	**-**	**231.0**	**65.7**	**296.7**
Items that can be reclassified to profit or loss					
Value adjustment of hedging instruments:					
Recognised in other comprehensive income	-	(4.8)	-	-	(4.8)
Transferred to revenue	-	7.0	-	-	7.0
Transferred to production costs	-	0.3	-	-	0.3
Transferred to financial income and expenses	-	1.5	-	-	1.5
Tax	-	(1.0)	-	-	(1.0)
Other comprehensive income	**0.0**	**3.0**	**0.0**	**0.0**	**3.0**
Total comprehensive income	**0.0**	**3.0**	**231.0**	**65.7**	**299.7**
Transactions with owners					
Dividend paid	-	-	-	(65.7)	(65.7)
Changes in equity in 2015	**0.0**	**3.0**	**231.0**	**0.0**	**234.0**
Equity at 31 December 2015	**140.3**	**1.7**	**625.4**	**65.7**	**833.1**
Equity at 1 January 2014	**140.3**	**(1.8)**	**320.5**	**65.7**	**524.7**
Profit/(loss) for the year	**-**	**-**	**73.9**	**65.7**	**139.6**
Items that can be reclassified to profit or loss					
Value adjustment of hedging instruments:					
Recognised in other comprehensive income	-	(7.2)	-	-	(7.2)
Transferred to revenue	-	4.2	-	-	4.2
Transferred to production costs	-	1.3	-	-	1.3
Transferred to financial income and expenses	-	2.4	-	-	2.4
Tax	-	(0.2)	-	-	(0.2)
Other comprehensive income	**0.0**	**0.5**	**0.0**	**0.0**	**0.5**
Total comprehensive income	**0.0**	**0.5**	**73.9**	**65.7**	**140.1**
Transactions with owners					
Dividend paid	-	-	-	(65.7)	(65.7)
Changes in equity in 2014	**0.0**	**0.5**	**73.9**	**0.0**	**74.4**
Equity at 31 December 2014	**140.3**	**(1.3)**	**394.4**	**65.7**	**599.1**

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NOTES – STATEMENT OF COMPREHENSIVE INCOME

NOTES – STATEMENT OF CASH FLOWS

NOTES – BALANCE SHEET

NOTES, OTHER

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01 BASIS OF PREPARATION

The consolidated financial statements and the parent company financial statements for the year ended 31 December 2015 of the group and Brødrene Hartmann A/S, respectively, have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for annual reports of listed companies. See the Danish Statutory Order on Adoption of IFRS issued in pursuance of the Danish Financial Statements Act. Brødrene Hartmann A/S is a public limited company and has its registered office in Denmark.

The consolidated financial statements and the parent company 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 consolidated financial statements and the parent company financial statements are prepared on the basis of the historical cost convention, with the exception of derivative financial instruments, which are measured at fair value.

The accounting policies, which are described in note 38, have been applied consistently for the financial year and for the comparative figures.

02 ACCOUNTING REGULATIONS

New financial reporting standards and interpretations in 2015
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 2015. Hartmann has assessed that they are either not relevant to the group or the parent company, or not of significant importance.

New financial reporting standards which have not yet come into force and which have not been early adopted.
The IASB has issued a number of financial reporting standards, amendments and interpretations, with which the group and the parent company must comply for financial years beginning on or after 1 January 2016.

The financial reporting standards, amendments and interpretations that have not yet come into force are not considered to significantly affect the consolidated financial statements or the parent company in future financial years. However, the analysis of the expected impact of implementing IFRS 9, IFRS 15 and IFRS 16 has not been finalised. See below.

IFRS 9 'Financial Instruments', which replaces IAS 39, changes the classification and subsequent measurement of financial assets and liabilities. The standard introduces a more logical approach to classification of financial assets based on the business model applied in the entity and the characteristics of the underlying cash flows. The standard also introduces a new impairment model for all financial assets.

IFRS 15 'Revenue from Contracts with Customers', which replaces the current revenue standards (IAS 11 and IAS 18) and interpretations, introduces a new framework for recognition and measurement of revenue from sales contracts with customers. The new standard provides a five-step model to be applied to all sales contracts with customers to determine when and how revenue is to be recognised in profit and loss.

Under IFRS 16 'Leases', replacing IAS 17, largely all leases must be recognised in the balance sheet of the lessee's financial statements in the form of a lease obligation and an asset representing the lessee's right to use the underlying asset. Operating leases and finance leases are no longer distinguished from one another.

IFRS 9 and IFRS 15 are effective for financial years beginning on or after 1 January 2018, and IFRS 16 is effective for financial years beginning on or after 1 January 2019, if adopted by the EU.

03 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

In applying the group's and the parent company's accounting policies, management is required to make judgments, estimates and assumptions concerning the carrying amount of assets and liabilities that 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 assessed on an ongoing basis. Changes to accounting estimates are recognised in the reference period in which the change occurs and in future reference periods if the change affects both the period in which the change occurs and subsequent reference periods.

Significant accounting estimates, assumptions and uncertainties
The recognition and measurement of assets and liabilities often depend on future events that are somewhat uncertain. In that connection, it is necessary to make an assumption that reflects management's assessment of the most likely course of events. In

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the consolidated financial statements and the parent company financial statements, the following assumptions and uncertainties are in particular to be noted, since they have had a significant influence on the assets and liabilities recognised in the consolidated financial statements and the parent company financial statements and may necessitate corrections in subsequent financial years if the assumed course of events fails to materialise as expected:

Combined heat and power plant in Tønder
In 2008, district heating company Tønder Fjernvarme filed a complaint with the Danish Energy Regulatory Authority concerning the pricing of district heating supplied by Hartmann's combined heat and power plant. On 4 September 2015, the Secretariat of the Danish Energy Regulatory Authority made a decision in the matter, which concerns the years 2003-2014. Hartmann has filed an appeal against the decision with the Danish Energy Board of Appeal. See company announcement no. 10/2015 of 4 September 2015. If the decision by the Secretariat of the Energy Regulatory Authority is upheld, Hartmann will incur costs of roughly DKK 50 million, adversely affecting cash flows by about DKK 10 million. Based on an internal review of the matter and indications from external advisers, management believes that the Energy Board of Appeal is very likely to reverse the decision.

The carrying amount of property, plant and equipment relating to the power plant was DKK 14.6 million at 31 December 2015. Receivables from Tønder Fjernvarme amounted to DKK 39.0 million.

Closure of factory in Germany
In August 2015, management proposed a closure of the group's factory in Germany (see company announcement no. 9/2015), and the legally required consultations with employee representatives began. In January 2016, the negotiations on the final terms and conditions of the closure were concluded (see company announcement no. 1/2016), and the factory is scheduled for closure in Q2 2016 as proposed. The company's property, plant and equipment have been written down by an amount equal to the carrying amount of the assets as at the date when the factory is expected to cease production. The impairment write-down amounts to DKK 15.5 million and relates to the Europe operating segment. Severance payments and other costs relating to the closure have been determined at DKK 70 million. The amount was calculated based on the assumptions applied in connection with the employee consultations and agreements with suppliers etc. See also note 11.

Recoverable amount of goodwill
Determining any indication of impairment of recognised goodwill requires a calculation of the values in use of the cash-generating units to which the goodwill amounts have been allocated. The calculation of the value in use assumes that an estimate of future expected cash flows in the individual cash-generating unit has been made and that a reasonable discount rate has been determined. The carrying amount of goodwill amounted to DKK 65.5 million at 31 December 2015 (2014: DKK 10.7 million). See note 16 for a detailed description of discount rates applied etc.

Deferred tax assets
In the measurement of deferred tax assets, it is assessed whether, on the basis of budgets and operating plans, future earnings will allow for and render probable the utilisation of the temporary differences between tax bases and carrying amounts and tax loss carry-forwards. The assessment also includes pending tax audits. The net carrying amount of deferred tax assets amounted to DKK 113.7 million at 31 December 2015 (2014: DKK 89.4 million). For a detailed description of the utilisation period etc. See note 22.

Allocation of purchase price
At 6 January 2015, Hartmann acquired the South American moulded-fibre activities (Sanovo Greenpack) of Lactosan-Sanovo Holdings A/S. See note 36.

In acquisitions of companies, the acquired companies' assets, liabilities and contingent liabilities are recognised in accordance with the acquisition method. The main assets are goodwill, trademarks, customer portfolios, property, plant and equipment, receivables and inventories.

For a substantial part of the assets and liabilities acquired, no efficient markets exist for determining the fair value. This applies to intangible assets acquired in particular. Therefore, management makes estimates when determining the fair value of the acquired assets, liabilities and contingent liabilities. Depending on the nature of the item, the fair value determination can be subject to uncertainty and possibly to subsequent adjustment. The non-allocated purchase price (positive amount) is recognised in the balance sheet as goodwill, which is allocated to cash-generating units.

The present value of estimated future cash flows is based on budgets and business plans, projections for subsequent years and management's expectations for the development. Essential parameters are revenue development, profit margin, future investments in property, plant and equipment as well as growth expectations for subsequent years. Management expects that the purchase price recognised in the consolidated financial statements is the best estimate of the total fair value of the companies and thus the allocation of goodwill.

Trademarks
In business combinations, an estimate is made of the value of the acquired trademarks as well as the expected useful life of these. The fair value of acquired trademarks is calculated by discounting the

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royalty payments that will be saved through owning the right of use of the trademark (the relief-from-royalty method).

Customer portfolios
In business combinations, the value of the acquired customer portfolios is estimated. The value is calculated as the present value of the net cash flow generated through sales to customers less return on other cash-generating assets.

Fair value of property, plant and equipment
The fair value of land and buildings and of technical and other plant acquired in business combinations is to the extent possible based on the fair value of a similar asset in similar condition which can be purchased and sold in an efficient market. The fair value of property, plant and equipment for which there is no reliable market documentation of the fair value is determined on the basis of a calculated value of the depreciated replacement cost. The determination is based on the replacement value of an equivalent asset that has the same functionality and capacity. The calculated replacement value of each asset is then reduced to reflect the functional and physical wear and tear.

The expected synergies and user-specific intentions with the use of the individual assets are not included in the assessment of the fair value.

For further information on allocation of purchase price. See note 36.

04 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 intra-segmental 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 segment on a reliable basis. Profit/losses 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** comprising production and sales of moulded-fibre packaging. The products are manufactured at factories in Europe (including Israel) and are 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 our combined heat and power plant in Tønder, Denmark.

- **Americas** comprising production and sales of moulded-fibre packaging. The products are primarily manufactured at the North American and South American factories and sold to egg and fruit producers, egg and fruit packing businesses and retail chains. Comparative figures for 2014 are exclusive of the South American activities acquired as of 6 January 2015.

Other segment information
External revenue is allocated to geographical areas on the basis of the customer's geographical location. Allocation of intangible assets and property, plant and equipment is based on the geographical location and use of the assets.

No single customer represents more than 10% of external revenue.

Revenue from external customers attributable to a single foreign country is immaterial.

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04 SEGMENT INFORMATION CONT'D

Activities

2015	Europe	Americas	Total reporting segments
Moulded fibre	1,185.7	885.7	2,071.4
Other revenue, external	62.0	0.0	62.0
Revenue	**1,247.7**	**885.7**	**2,133.4**
Operating profit/(loss) before special items	**111.9**	**146.1**	**258.0**
Other segment information			
Depreciation/amortisation	57.0	36.3	
Investments in intangible assets and property, plant and equipment	69.5	132.7	
Net working capital	162.4	94.3	
Invested capital	530.6	546.3	
Segment assets	818.7	663.0	1,481.7

2014	Europe	Americas	Total reporting segments
Moulded fibre	1,174.8	318.6	1,493.4
Other revenue, external	121.2	0.0	121.2
Revenue	**1,296.0**	**318.6**	**1,614.6**
Operating profit/(loss) before special items	**127.9**	**59.7**	**187.6**
Other segment information			
Depreciation/amortisation	57.0	14.4	
Investments in intangible assets and property, plant and equipment	55.6	50.5	
Net working capital	139.1	36.3	
Invested capital	511.0	233.6	
Segment assets	805.1	275.2	1,080.3

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04 SEGMENT INFORMATION CONT'D

Reconciliation

	2015	2014
Revenue		
Revenue for reporting segments	2,133.4	1,614.6
Revenue, see statement of comprehensive income	**2,133.4**	**1,614.6**
Performance targets		
Operating profit/(loss) before special items for reporting segments	258.0	187.6
Non-allocated corporate functions	(25.0)	(25.4)
Eliminations	0.8	0.8
Operating profit/(loss) before special items, see statement of comprehensive income	233.8	163.0
Special items	(100.5)	(7.0)
Operating profit/(loss), see statement of comprehensive income	133.3	156.0
Profit/(loss) after tax in associates	0.1	0.1
Financial income	7.8	1.8
Financial expenses	(30.4)	(18.7)
Profit/(loss) before tax, see statement of comprehensive income	**110.8**	**139.2**
Assets		
Assets for reporting segments	1,481.7	1,080.3
Non-allocated assets	260.7	171.7
Eliminations	(22.1)	(8.1)
Assets, see balance sheet	**1,720.3**	**1,243.9**

Geographical distribution

2015	Denmark	Other Europe	North and South America*	Other world	Total group
Revenue	39.3	1,053.4	920.6	120.1	**2,133.4**
Intangible assets and property, plant and equipment	154.9	206.4	429.8	16.1	**807.2**

2014	Denmark	Other Europe	North and South America*	Other world	Total group
Revenue	99.7	1,063.6	358.6	92.7	**1,614.6**
Intangible assets and property, plant and equipment	171.1	203.4	189.2	7.5	**571.2**

* North and South America refer to the geographical continents.

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05 REVENUE

	Group 2015	Group 2014	Parent company 2015	Parent company 2014
Sale of goods	2,141.9	1,621.2	1,300.1	1,253.3
Services rendered	5.9	1.1	6.3	1.1
Derivative financial instruments	(14.4)	(7.7)	(7.0)	(4.2)
Revenue	**2,133.4**	**1,614.6**	**1,299.4**	**1,250.2**

06 PRODUCTION COSTS

	Group 2015	Group 2014	Parent company 2015	Parent company 2014
Cost of sales	1,047.6	793.0	896.1	837.4
Staff costs included in cost of sales	(338.4)	(220.3)	(103.4)	(97.4)
Inventory write-downs	0.7	0.8	(0.6)	0.0
Staff costs, see note 9	460.8	325.8	146.7	146.7
Depreciation and amortisation, see notes 16 and 17	87.8	67.4	29.4	30.6
Other production costs	187.8	136.6	50.6	48.4
Derivative financial instruments	0.3	1.3	0.3	1.3
Production costs	**1,446.6**	**1,104.6**	**1,019.1**	**967.0**

07 SELLING AND DISTRIBUTION COSTS

	Group 2015	Group 2014	Parent company 2015	Parent company 2014
Staff costs, see note 9	81.7	68.9	15.5	16.1
Depreciation, see note 17	0.7	0.6	0.2	0.2
Other selling and distribution costs	281.6	220.9	171.4	171.1
Selling and distribution costs	**364.0**	**290.4**	**187.1**	**187.4**

Other selling and distribution costs mainly comprise freight costs.

08 ADMINISTRATIVE EXPENSES

	Group 2015	Group 2014	Parent company 2015	Parent company 2014
Staff costs, see note 9	47.9	45.6	30.7	40.4
Depreciation and amortisation, see notes 16 and 17	4.0	2.6	3.5	2.6
Other administrative expenses	37.9	11.3	24.4	8.4
Administrative expenses	**89.8**	**59.5**	**58.6**	**51.4**

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09 STAFF COSTS

	Group		Parent company	
	2015	2014	2015	2014
Wages, salaries and remuneration	585.9	380.0	248.6	183.5
Pension costs, defined benefit plans	3.6	2.5	0.0	0.0
Pension contributions, defined contribution plans	40.1	34.6	16.2	16.3
Other social security costs	35.7	23.2	3.0	3.4
Staff costs	**665.3**	**440.3**	**267.8**	**203.2**
Staff costs are recognised in the following comprehensive income statement items:				
Production costs	460.8	325.8	146.7	146.7
Selling and distribution costs	81.7	68.9	15.5	16.1
Administrative expenses	47.9	45.6	30.7	40.4
Special items	74.9	0.0	74.9	0.0
	665.3	**440.3**	**267.8**	**203.2**
Number of employees				
Average number of full-time employees	2,070	1,461	404	427

For information about pension obligations. See note 26.

Remuneration of the Executive Board

The remuneration paid to members of the Executive Board is based on a fixed salary, defined contribution pension, bonus and other benefits in the form of company car and phone. Bonuses are granted on an individual basis and are performance-related.

Hartmann may terminate the executive service agreements of the members of Hartmann's Executive Board at 12 months' notice. In the event of a change of ownership of a controlling interest in the company, the notice of termination is extended to 18 months (24 months in the case of Marianne Rørslev Bock) effective from the date on which the shareholding is sold. The extended notice will apply for a period of 18 months after the transfer.

	Salary	Bonus	Pension	Other benefits	Total
2015					
Ulrik Kolding Hartvig	2.7	0.8	0.3	0.2	4.0
Marianne Rørslev Bock	2.0	0.6	0.2	0.2	3.0
	4.7	**1.4**	**0.5**	**0.4**	**7.0**
2014					
Ulrik Kolding Hartvig	2.6	0.2	0.3	0.2	3.3
Marianne Rørslev Bock	1.8	0.1	0.2	0.2	2.3
	4.4	**0.3**	**0.5**	**0.4**	**5.6**

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09 STAFF COSTS CONT'D

Remuneration of the Board of Directors

The remuneration paid to the members of the Board of Directors is a fixed fee approved by the shareholders at the annual general meeting. Ordinary board members each receive an annual fee of DKK 200,000. The vice chairman receives a fee equal to the ordinary fee multiplied by two, and the chairman receives a fee equal to the ordinary fee multiplied by three.

	2015	2014
Chairman	0.6	0.6
Vice chairman	0.4	0.4
Ordinary board members	1.0	1.0
	2.0	**2.0**

Remuneration of the Audit Committee

The remuneration paid to the members of the audit committee is a fixed fee approved by the shareholders at the annual general meeting. Ordinary committee members each receive an annual fee of DKK 100,000. The chairman receives a fee equal to the ordinary fee multiplied by two. If the chairman is also the vice chairman of the Board of Directors, the chairman will only receive the fee paid to ordinary committee members.

	2015	2014
Chairman	0.2	0.2
Ordinary committee members	0.1	0.1
	0.3	**0.3**

Shares held by members of the Executive Board and the Board of Directors

	No. of shares			
	01.01.2015	Purchased	Sold	31.12.2015
Executive Board				
Ulrik Kolding Hartvig	3,000	135	0	3,135
Marianne Rørslev Bock	1,250	0	0	1,250
Board of Directors				
Agnete Raaschou-Nielsen	2,000	0	0	2,000
Niels Hermansen	0	0	0	0
Jørn Mørkeberg Nielsen	2,700	0	0	2,700
Steen Parsholt	2,781	0	0	2,781
Jan Peter Antonisen	0	0	0	0
Andy Hansen	0	56	0	56
Niels Christian Petersen	72	0	0	72

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10 OTHER OPERATING INCOME

	Group		Parent company	
	2015	2014	2015	2014
Gains on sale of intangible assets and property, plant and equipment	0.8	0.1	0.0	0.0
Licence income	0.0	2.8	0.0	2.8
Other operating income	**0.8**	**2.9**	**0.0**	**2.8**

11 SPECIAL ITEMS

	Group		Parent company	
	2015	2014	2015	2014
Impairment of property, plant and equipment	15.5	0.0	0.0	0.0
Severance payments	74.9	0.0	74.9	0.0
Other costs relating to closure of factory	10.1	0.0	10.1	0.0
Costs relating to acquisition of Sanovo Greenpack	0.0	7.0	0.0	7.0
Special costs	**100.5**	**7.0**	**85.0**	**7.0**
Special items	**(100.5)**	**(7.0)**	**(85.0)**	**(7.0)**
If special items had been recognised in operating profit before special items, they would have been recognised in the following items in the statement of comprehensive income:				
Production costs	(91.8)	0.0	(76.3)	0.0
Selling and distribution costs	(2.9)	0.0	(2.9)	0.0
Administrative expenses	(5.8)	(7.0)	(5.8)	(7.0)
	(100.5)	**(7.0)**	**(85.0)**	**(7.0)**

Significant non-recurring income and expenses of a special nature relative to the group's earnings-generating operating activities have been recognised as special items for the purpose of comparability in the statement of comprehensive income.

Special costs, which amounted to DKK 100.5 million, were attributable to the closure of Hartmann's factory in Germany in H1 2016 and organisational adjustments at the European factories and the head office. See also note 3.

Under the contract manufacturing agreements between the parent company and its subsidiaries, the parent company compensates its subsidiaries for restructuring costs that are unrelated to impairment of intangible assets and property, plant and equipment.

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12 FINANCIAL INCOME AND EXPENSES

	Group		Parent company	
	2015	**2014**	**2015**	**2014**
Interest income, subsidiaries	-	-	1.7	2.0
Interest income, cash and cash equivalents, etc.	1.0	0.4	0.4	0.4
Other interest income	1.4	0.6	0.0	0.0
Interest income from financial assets not measured at fair value through profit or loss	**2.4**	**1.0**	**2.1**	**2.4**
Dividend from subsidiaries	-	-	33.0	53.3
Reversal of prior-year impairment of investments in subsidiaries, see note 18	-	-	315.7	67.2
Foreign exchange gains, net	4.7	0.0	1.6	0.0
Interest rate effect on discounting of non-current receivables	0.7	0.8	0.0	0.0
Financial income	**7.8**	**1.8**	**352.4**	**122.9**
Interest expenses, subsidiaries	-	-	1.8	0.9
Interest expenses, credit institutions	22.0	4.1	7.2	3.8
Net interest on defined benefit plans, see note 26	1.1	1.0	-	-
Other costs	5.1	3.2	1.8	1.4
Interest expenses from financial liabilities not measured at fair value through profit or loss	**28.2**	**8.3**	**10.8**	**6.1**
Impairment of investments in subsidiaries	-	-	6.4	1.1
Foreign exchange losses, net	0.0	8.0	0.0	3.9
Derivative financial instruments	2.2	2.4	1.5	2.4
Financial expenses	**30.4**	**18.7**	**18.7**	**13.5**
Financial income and expenses	**(22.6)**	**(16.9)**	**333.7**	**109.4**

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13 TAX ON PROFIT/(LOSS) FOR THE YEAR

	Group		Parent company	
	2015	2014	2015	2014
Breakdown of tax for the year:				
Tax on profit/(loss) for the year	(0.2)	20.3	(13.4)	10.0
Tax on other comprehensive income	(4.2)	(3.6)	1.0	0.2
	(4.4)	**(16.7)**	**(12.4)**	**10.2**
Tax on profit/(loss) for the year has been calculated as follows:				
Current tax	32.1	17.9	8.9	8.2
Change in deferred tax	(24.6)	(5.1)	(26.1)	(1.3)
Change in income tax rate	(1.0)	(0.1)	0.0	0.0
Tax relating to prior years	(6.7)	7.6	3.8	3.1
	(0.2)	**20.3**	**(13.4)**	**10.0**
Tax on profit/(loss) for the year can be specified as follows:				
Profit/(loss) before tax	110.8	139.2	283.3	149.6
Dividend from subsidiaries and associates	-	-	(33.0)	(53.3)
Reversal of prior years' impairment of investments in subsidiaries	-	-	(315.7)	(67.2)
Impairment of investments in subsidiaries	-	-	6.4	1.1
Profit/(loss) after tax in associates	(0.1)	(0.1)	-	-
	110.7	**139.1**	**(59.0)**	**30.2**
Tax charged at 23.5% (2014: 24.5%)	26.0	34.1	(13.9)	7.4
Adjustment of tax calculated for foreign subsidiaries against 23.5% (2014: 24.5%)	4.7	(0.5)	-	-
Tax effect of:				
Change in income tax rate*	(1.0)	(0.1)	0.0	0.0
Recognised deferred tax assets in foreign subsidiaries	(36.8)	(18.0)	0.0	0.0
Non-taxable income and non-deductible expenses	5.3	1.5	2.8	1.7
Change in measurement of net tax assets	0.0	1.1	0.0	0.0
Other tax costs	0.2	0.2	0.2	0.4
Deferred tax relating to prior years	8.1	(5.6)	(6.3)	(2.6)
Tax relating to prior years	(6.7)	7.6	3.8	3.1
	(0.2)	**20.3**	**(13.4)**	**10.0**
Effective tax rate	**0**	**15**	**23**	**33**
Tax on other comprehensive income:				
Actuarial gains/(losses) on pension obligations	(3.5)	(4.0)	0.0	0.0
Foreign exchange adjustment of equity-like loans to subsidiaries	0.3	0.3	0.0	0.0
Value adjustment of hedging instruments:				
Recognised in other comprehensive income	(5.2)	(2.7)	(1.2)	(1.8)
Transferred to revenue	3.6	1.9	1.6	1.1
Transferred to production costs	0.1	0.3	0.1	0.3
Transferred to financial income and expenses	0.5	0.6	0.5	0.6
	(4.2)	**(3.6)**	**1.0**	**0.2**

* The effect of the change in income tax rate is related to the deferred tax and is attributable to the gradual reduction of the Danish company tax rate from 25% in 2013 to 24.5% in 2014, 23.5% in 2015 and 22% in 2016 and onwards. The effect in 2015 is attributable to changed estimates as to when the temporary differences are realised in relation to what was expected when the annual report for 2014 was prepared.

Notes

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14 EARNINGS PER SHARE

	Group	
	2015	**2014**
Average no. of shares	7,015,090	7,015,090
Average no. of treasury shares	(100,000)	(100,000)
Average no. of shares in circulation	**6,915,090**	**6,915,090**
Average dilutive effect of outstanding subscription rights	0	0
Average no. of shares, diluted	**6,915,090**	**6,915,090**
Profit/(loss) for the year attributable to the shareholders of Brødrene Hartmann A/S	**111.0**	**118.9**
Earnings per share, DKK	16.1	17.2
Earnings per share, DKK, diluted	16.1	17.2

15 CASH FLOWS

	Group		Parent company	
	2015	**2014**	**2015**	**2014**
(Profits) and losses on sales of intangible assets and property, plant and equipment	(0.8)	(0.1)	0.0	0.0
Adjustment for other non-cash items	**(0.8)**	**(0.1)**	**0.0**	**0.0**
Inventories	(40.6)	(19.4)	(31.9)	(7.5)
Receivables	11.0	(56.6)	(16.0)	1.8
Pension obligations	(3.7)	(2.8)	0.0	0.0
Prepayments from customers	0.1	31.9	(3.1)	32.0
Trade payables	(10.6)	31.5	(24.7)	19.6
Other payables etc.	(0.2)	(22.8)	118.1	(6.6)
Change in working capital etc.	**(44.0)**	**(38.2)**	**42.4**	**39.3**

Notes

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16 INTANGIBLE ASSETS

Group	Goodwill	Other	Total
Cost at 1 January 2015	22.8	12.9	35.7
Foreign exchange adjustment	(18.0)	(12.7)	(30.7)
Additions on takeover of subsidiaries	72.8	49.9	122.7
Additions	0.0	1.0	1.0
Disposals	(12.1)	(12.9)	(25.0)
Cost at 31 December 2015	**65.5**	**38.2**	**103.7**
Amortisation and impairment at 1 January 2015	12.1	12.9	25.0
Foreign exchange adjustments	0.0	(0.9)	(0.9)
Amortisation	0.0	3.5	3.5
Disposals	(12.1)	(12.9)	(25.0)
Amortisation and impairment at 31 December 2015	**0.0**	**2.6**	**2.6**
Carrying amount at 31 December 2015	**65.5**	**35.6**	**101.1**
Cost at 1 January 2014	22.8	12.9	35.7
Cost at 31 December 2014	**22.8**	**12.9**	**35.7**
Amortisation and impairment at 1 January 2014	12.1	11.4	23.5
Amortisation	0.0	1.5	1.5
Amortisation and impairment at 31 December 2014	**12.1**	**12.9**	**25.0**
Carrying amount at 31 December 2014	**10.7**	**0.0**	**10.7**

Parent company	Goodwill	Other	Total
Cost at 1 January 2015	22.8	12.9	35.7
Additions	0.0	1.0	1.0
Disposals	(12.1)	(12.9)	(25.0)
Cost at 31 December 2015	**10.7**	**1.0**	**11.7**
Amortisation and impairment at 1 January 2015	12.1	12.9	25.0
Disposals	(12.1)	(12.9)	(25.0)
Amortisation and impairment at 31 December 2015	**0.0**	**0.0**	**0.0**
Carrying amount at 31 December 2015	**10.7**	**1.0**	**11.7**
Cost at 1 January 2014	22.8	12.9	35.7
Cost at 31 December 2014	**22.8**	**12.9**	**35.7**
Amortisation and impairment at 1 January 2014	12.1	11.4	23.5
Amortisation	0.0	1.5	1.5
Amortisation and impairment at 31 December 2014	**12.1**	**12.9**	**25.0**
Carrying amount at 31 December 2014	**10.7**	**0.0**	**10.7**

Notes

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16 INTANGIBLE ASSETS CONT'D

	Group		Parent company	
	2015	2014	2015	2014
Amortisation is recognised in the statement of comprehensive income in the following items:				
Production costs	3.5	0.0	0.0	0.0
Administrative expenses	0.0	1.5	0.0	1.5
	3.5	**1.5**	**0.0**	**1.5**

Impairment test

Management has tested the carrying amount of goodwill and other intangible assets with indefinite useful lives for impairment in each of the cash-generating units to which goodwill has been allocated.

		Goodwill		Trademarks	
Group	Segment	2015	2014	2015	2014
Cash-generating unit					
Argentina	Americas	0.3	0.0	4.8	0.0
Brazil	Americas	54.5	0.0	6.6	0.0
Europe Moulded Fibre	Europe	10.7	10.7	0.0	0.0
Total		**65.5**	**10.7**	**11.4**	**0.0**

		Goodwill	
Parent company	Segment	2015	2014
Cash-generating unit			
Europe Moulded Fibre	Europe	10.7	0.0
Total		**10.7**	**0.0**

Key assumptions

The recoverable amounts for the units are based on the value in use determined by means of a calculation of expected net cash flows on the basis of budgets for 2016 approved by the Board of Directors and forecasts for the period 2017-2020.

The calculation of the value in use includes expected investments for the period 2016-2020, and expected investments for maintaining the capital apparatus are included in the terminal period.

The weighted average growth rates applied for the terminal period are assessed not to exceed the long-term average growth rates on the markets of the individual units.

Argentina

The effect of the construction of a new factory in Gualeguaychú has been included in the calculation of expected cash flows because the investment was approved and commenced in 2015 and because the investment amount is included in the assets tested for impairment. The construction of the factory is scheduled for completion in 2016, and the effect on operations has been included as from H2 2016. Also, the rate of growth applied for the period 2016-2020 and the terminal period takes into account the expected rate of inflation. Price increases on a level with inflation expectations are assumed to be realisable. A rate of growth of 4.0% has been applied for the terminal period. A pre-tax discount rate of 40% has been applied for 2016 and includes an expected rate of inflation of 26%. The discount rate has been adjusted for a decrease in the expected inflation rate for the period 2017-2020 and the terminal period, for which a pre-tax rate of 22% has been applied.

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16 INTANGIBLE ASSETS CONT'D

Brazil
The effect of the construction of a new factory in Lages has been included in the calculation of expected cash flows because the investment was approved and commenced in 2015 and because the investment amount is included in the assets tested for impairment. The construction of the factory is scheduled for completion in 2016, and the effect on operations has been included as from Q2 2016. Also, the rate of growth applied for the period 2016-2020 and the terminal period takes into account the expected rate of inflation. Price increases on a level with inflation expectations are assumed to be realisable. A rate of growth of 3.5% has been applied for the terminal period. A pre-tax discount rate of 21% has been applied for 2016 and has been adjusted for inflation expectations for the period 2017-2020 and the terminal period, for which a pre-tax rate of 17% has been applied.

Europe Moulded Fibre
The calculation of expected cash flows takes into account the effect of restructuring measures initiated in the European production network and at the head office as well as the expected development in selling prices on the European market, which has been characterised by intensifying price competition. The effect of the closure of the factory in Germany has also been included and is expected to take effect as from mid-2016. Growth during the terminal period is determined at 1.0% (2014: 1.0%), on par with the expected inflation rate. A pre-tax discount rate of 10% (2014: 10%) has been applied for the full period.

Conclusion
Based on the tests performed, management sees no indication of impairment.

Management assesses that no scenarios exist in which a likely change in assumptions would lead to a situation in which the carrying amount of goodwill and trademarks with indefinite useful lives would significantly exceed the recoverable amount. Management monitors the macro-economic developments in Argentina and Brazil on a continuous basis.

Notes

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17 PROPERTY, PLANT AND EQUIPMENT

Group	Land and buildings	Technical plant and machinery	Fixtures and fittings, tools and equipment	Technical plant under construction	Total
Cost at 1 January 2015	386.4	1,763.1	95.9	29.2	2,274.6
Foreign exchange adjustment	(10.1)	(49.9)	(0.9)	(13.4)	(74.3)
Transfer	0.0	27.1	4.5	(31.6)	0.0
Additions on acquisition of subsidiaries	18.6	100.1	3.2	2.4	124.3
Additions	5.6	45.2	3.7	131.9	186.4
Disposals	0.0	(6.8)	(2.9)	0.0	(9.7)
Cost at 31 December 2015	**400.5**	**1,878.8**	**103.5**	**118.5**	**2,501.3**
Depreciation and impairment at 1 January 2015	245.1	1,383.7	85.3	0.0	1,714.1
Foreign exchange adjustment	(1.7)	(14.6)	0.0	0.0	(16.3)
Impairment	8.5	6.7	0.3	0.0	15.5
Depreciation	12.6	73.1	5.7	0.0	91.4
Disposals	0.0	(6.8)	(2.7)	0.0	(9.5)
Depreciation and impairment at 31 December 2015	**264.5**	**1,442.1**	**88.6**	**0.0**	**1,795.2**
Carrying amount at 31 December 2015	**136.0**	**436.7**	**14.9**	**118.5**	**706.1**
Cost at 1 January 2014	386.2	1,646.4	90.0	61.0	2,183.6
Foreign exchange adjustment	(1.9)	(1.4)	(0.2)	(1.4)	(4.9)
Transfer	0.0	59.6	0.0	(59.6)	0.0
Additions	2.1	59.4	7.9	29.2	98.6
Disposals	0.0	(0.9)	(1.8)	0.0	(2.7)
Cost at 31 December 2014	**386.4**	**1,763.1**	**95.9**	**29.2**	**2,274.6**
Depreciation and impairment at 1 January 2014	234.1	1,330.4	84.1	0.0	1,648.6
Foreign exchange adjustment	(0.9)	(3.1)	(0.2)	0.0	(4.2)
Depreciation	11.9	56.9	3.0	0.0	71.8
Disposals	0.0	(0.5)	(1.6)	0.0	(2.1)
Depreciation and impairment at 31 December 2014	**245.1**	**1,383.7**	**85.3**	**0.0**	**1,714.1**
Carrying amount at 31 December 2014	**141.3**	**379.4**	**10.6**	**29.2**	**560.5**

Notes

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17 PROPERTY, PLANT AND EQUIPMENT CONT'D

Parent company	Land and buildings	Technical plant and machinery	Fixtures and fittings, tools and equipment	Technical plant under construction	Total
Cost at 1 January 2015	166.2	812.0	71.4	27.0	1,076.6
Transfer	0.0	22.5	4.5	(27.0)	0.0
Additions	0.0	1.2	1.0	15.4	17.6
Disposals	0.0	(1.1)	(0.1)	0.0	(1.2)
Cost at 31 December 2015	**166.2**	**834.6**	**76.8**	**15.4**	**1,093.0**
Depreciation and impairment at 1 January 2015	146.1	706.5	63.6	0.0	916.2
Depreciation	2.7	27.6	3.5	0.0	33.8
Disposals	0.0	(1.1)	(0.1)	0.0	(1.2)
Depreciation and impairment at 31 December 2015	**148.8**	**733.0**	**67.0**	**0.0**	**948.8**
Carrying amount at 31 December 2015	**17.4**	**101.6**	**9.8**	**15.4**	**144.2**
Cost at 1 January 2014	166.2	803.8	64.5	5.6	1,040.1
Transfer	0.0	5.6	0.0	(5.6)	0.0
Additions	0.0	3.2	6.9	27.0	37.1
Disposals	0.0	(0.6)	0.0	0.0	(0.6)
Cost at 31 December 2014	**166.2**	**812.0**	**71.4**	**27.0**	**1,076.6**
Depreciation and impairment at 1 January 2014	143.2	678.6	61.9	0.0	883.7
Depreciation	2.9	28.0	1.7	0.0	32.6
Disposals	0.0	(0.1)	0.0	0.0	(0.1)
Depreciation and impairment at 31 December 2014	**146.1**	**706.5**	**63.6**	**0.0**	**916.2**
Carrying amount at 31 December 2014	**20.1**	**105.5**	**7.8**	**27.0**	**160.4**

	Group		Parent company	
	2015	**2014**	**2015**	**2014**
Breakdown of depreciation:				
Impairment losses	15.5	0.0	0.0	0.0
Depreciation	91.4	71.8	33.8	32.6
Part of government grants recognised as income	(2.4)	(2.7)	(0.7)	(0.7)
	104.5	**69.1**	**33.1**	**31.9**
Depreciation is recognised in the statement of comprehensive income in the following items:				
Production costs	84.3	67.4	29.4	30.6
Selling and distribution costs	0.7	0.6	0.2	0.2
Administrative expenses	4.0	1.1	3.5	1.1
Special items	15.5	0.0	0.0	0.0
	104.5	**69.1**	**33.1**	**31.9**

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18 INVESTMENTS IN SUBSIDIARIES

	Parent company	
	2015	**2014**
Cost at 1 January	799.6	799.6
Additions for the year	300.1	0.0
Cost at 31 December	**1,099.7**	**799.6**
Impairment at 1 January	348.0	414.1
Impairment write-downs for the year	6.4	1.1
Reversed impairment write-downs for the year	(315.7)	(67.2)
Impairment at 31 December	**38.7**	**348.0**
Carrying amount at 31 December	**1,061.0**	**451.6**

Additions for the year of DKK 300.1 million (2014: DKK 0.0 million) related to acquisitions of subsidiaries in South America, DKK 300.0 million, and a capital increase in Hartmann Italiana S.r.l., DKK 0.1 million.

Impairment write-downs for the year of DKK 6.4 million were attributable to the write-down of investments in Hartmann-Schwedt GmbH due to the closing down of the factory scheduled for H1 2016.

Reversed impairment write-downs for the year of DKK 315.7 million comprised a full reversal of impairment write-downs in Canada, Croatia and Israel by DKK 296.5 million, DKK 15.4 million and DKK 3.8 million, respectively (2014: DKK 65.3 million, Hartmann Canada Inc., DKK 1.1 million, Hartmann Finance A/S, DKK 0.2 million, Hartmann-Mai Ltd., DKK 0.6 million, Hartmann-Varkaus Oy). Impairment write-downs were reversed based on an assessment of the companies' future earnings capacity.

Name	Registered office	Stake
Hartmann Canada Inc.	Canada	100%
Hartmann Dominion Inc. (subsidiary of Hartmann Canada Inc.)	Canada	100%
Hartmann d.o.o.	Serbia	100%
Hartmann Finance A/S	Denmark	100%
Hartmann France S.a.r.l.	France	100%
Hartmann-Hungary Kft.	Hungary	100%
Hartmann Italiana S.r.l.	Italy	100%
Hartmann-Mai Ltd.	Israel	100%
Hartmann Papirna Ambalaža d.o.o.	Croatia	100%
Hartmann Pólska Sp. z o.o.	Poland	100%
Hartmann-Schwedt GmbH	Germany	100%
Hartmann (UK) Ltd.	United Kingdom	100%
Hartmann USA Inc. (subsidiary of Hartmann Canada Inc.)	USA	100%
Hartmann-Varkaus Oy	Finland	100%
Hartmann Verpackung AG	Switzerland	100%
Hartmann Verpackung GmbH (subsidiary of Hartmann Schwedt GmbH)	Germany	100%
Molarsa Chile SPA (subsidiary of Moldeados Argentinos SA)	Chile	100%
Moldeados Argentinos SA (subsidiary of Projects A/S)	Argentina	100%
Projects A/S	Denmark	100%
Sanovo Greenpack Argentina SRL (subsidiary of Projects A/S)	Argentina	100%
Sanovo Greenpack Embalagens Do Brasil Ltda (subsidiary of Projects A/S)	Brazil	100%

Notes

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19 RECEIVABLES FROM SUBSIDIARIES

	Parent company 2015	Parent company 2014
Carrying amount at 1 January	145.1	85.3
Foreign exchange adjustment	(1.1)	0.2
Additions	92.8	92.4
Disposals	(45.2)	(32.8)
Carrying amount at 31 December	**191.6**	**145.1**

20 INVESTMENTS IN ASSOCIATES

	Group 2015	Group 2014	Parent company 2015	Parent company 2014
Cost at 1 January	1.2	0.3	1.2	0.3
Additions	0.0	0.9	0.0	0.9
Cost at 31 December	**1.2**	**1.2**	**1.2**	**1.2**
Value adjustments at 1 January	1.6	1.5	-	-
Share of profit/(loss) for the year	0.1	0.1	-	-
Value adjustments at 31 December	**1.7**	**1.6**	**0.0**	**0.0**
Carrying amount at 31 December	**2.9**	**2.8**	**1.2**	**1.2**

Name	Registered office	Stake	Gross profit	Profit for the year*	Assets	Liabilities	Equity
2015							
DanFiber A/S	Søborg	49.0%	4.4	0.2	22.1	16.2	5.9
2014							
DanFiber A/S	Søborg	49.0%	5.4	0.3	19.6	13.9	5.7

* Profit for the year is attributable to continuing operations and is identical to comprehensive income for the year.

In 2014, the stake in DanFiber A/S was increased from 32.4% to 49.0%. The purchase price was DKK 0.9 million. The ownership interest was increased with a view to enhancing security of supplies of paper for the production of moulded fibre.

Investments in associates are measured in the consolidated balance sheet using the equity method. In the parent company balance sheet, investments in associates are measured at historical cost.

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21 OTHER RECEIVABLES

	Group		Parent company	
	2015	**2014**	**2015**	**2014**
Carrying amount at 1 January	7.0	9.2	0.0	0.0
Foreign exchange adjustment	0.0	(0.5)	0.0	0.0
Paid	(2.6)	(2.5)	0.0	0.0
Interest rate effect on discounting	0.7	0.8	0.0	0.0
Carrying amount at 31 December	**5.1**	**7.0**	**0.0**	**0.0**
Other non-current receivables are expected to fall due:				
In 1 year or less	2.7	2.4	0.0	0.0
In 1-5 years	2.4	4.6	0.0	0.0
	5.1	**7.0**	**0.0**	**0.0**

The Hungarian subsidiary has received government grants in the form of reduced future tax payments. If the eligibility criteria are not met, future grants receivable in the form of reduced tax payments may be reduced or discontinued. Hartmann expects to meet the eligibility criteria for the grants received in Hungary. The assumptions applying to the tax grant receivable in the form of reduced tax payments in Hungary remained unchanged in 2015. See also note 27.

Notes

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22 DEFERRED TAX

Temporary differences between the carrying amount and the tax base

Group	Intangible assets	Property, plant and equipment	Current assets	Liabil-ities	Other	Tax loss carried forward	Total
Deferred tax at 1 January 2015	1.1	(22.9)	1.1	(12.5)	(55.8)	(0.4)	(89.4)
Foreign exchange adjustment	(4.4)	1.1	0.1	0.8	0.0	4.3	1.9
Acquired subsidiaries	17.2	6.4	0.2	(1.9)	0.0	(18.3)	3.6
Adjustment relating to prior years	0.0	(6.0)	0.0	0.9	12.9	0.0	7.8
Recognised in profit/(loss) for the year, net	(5.3)	20.3	(3.1)	(16.6)	(7.8)	(20.9)	(33.4)
Recognised through other comprehensive income, net	0.0	0.0	0.0	(3.5)	(1.0)	0.3	(4.2)
Deferred tax at 31 December 2015	**8.6**	**(1.1)**	**(1.7)**	**(32.8)**	**(51.7)**	**(35.0)**	**(113.7)**
Deferred tax at 1 January 2014	(2.0)	(15.7)	(1.7)	(8.0)	15.4	(66.4)	(78.4)
Foreign exchange adjustment	0.0	(2.1)	(0.1)	0.0	0.0	(0.1)	(2.3)
Transfer	0.0	0.0	0.0	0.0	(61.5)	61.5	0.0
Adjustment relating to prior years	0.0	0.0	0.0	0.0	0.0	(5.6)	(5.6)
Recognised in profit/(loss) for the year, net	3.1	(5.1)	2.9	(0.5)	(9.9)	10.0	0.5
Recognised through other comprehensive income, net	0.0	0.0	0.0	(4.0)	0.2	0.2	(3.6)
Deferred tax at 31 December 2014	**1.1**	**(22.9)**	**1.1**	**(12.5)**	**(55.8)**	**(0.4)**	**(89.4)**

Parent company	Intangible assets	Property, plant and equipment	Current assets	Liabil-ities	Other	Tax loss carried forward	Total
Deferred tax at 1 January 2015	1.1	6.1	0.9	(1.5)	4.7	0.0	11.3
Adjustment relating to prior years	0.0	(6.8)	0.0	0.9	(0.4)	0.0	(6.3)
Recognised in profit/(loss) for the year, net	0.0	1.0	(0.2)	(17.2)	(3.4)	0.0	(19.8)
Recognised through other comprehensive income, net	0.0	0.0	0.0	0.0	1.0	0.0	1.0
Deferred tax at 31 December 2015	**1.1**	**0.3**	**0.7**	**(17.8)**	**1.9**	**0.0**	**(13.8)**
Deferred tax at 1 January 2014	(2.0)	6.2	0.8	(5.5)	18.1	(5.0)	12.6
Adjustment relating to prior years	0.0	0.0	0.0	0.0	0.0	(2.6)	(2.6)
Recognised in profit/(loss) for the year, net	3.1	(0.1)	0.1	4.0	(13.6)	7.6	1.1
Recognised through other comprehensive income, net	0.0	0.0	0.0	0.0	0.2	0.0	0.2
Deferred tax at 31 December 2014	**1.1**	**6.1**	**0.9**	**(1.5)**	**4.7**	**0.0**	**11.3**

The item 'Other' includes the expected tax effect of corresponding adjustments in the individual subsidiaries of the ongoing tax audit of the group's transfer prices for prior financial years. 'Other' also includes deferred tax of recapture balances relating to losses utilised in foreign subsidiaries.

Notes

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22 DEFERRED TAX CONT'D

Deferred tax assets and liabilities

Group	2015 Deferred tax assets	2015 Deferred tax liabilities	2015 Net	2014 Deferred tax assets	2014 Deferred tax liabilities	2014 Net
Intangible assets	(4.4)	13.0	8.6	0.0	1.1	1.1
Property, plant and equipment	(16.0)	14.9	(1.1)	(39.9)	17.0	(22.9)
Current assets	(2.4)	0.7	(1.7)	0.0	1.1	1.1
Liabilities	(32.8)	0.0	(32.8)	(12.5)	0.0	(12.5)
Other	(53.9)	2.2	(51.7)	(60.7)	4.9	(55.8)
Tax loss carry-forwards	(35.0)	0.0	(35.0)	(0.4)	0.0	(0.4)
Deferred tax (assets)/liabilities	**(144.5)**	**30.8**	**(113.7)**	**(113.5)**	**24.1**	**(89.4)**
Set-off within legal tax entities	23.7	(23.7)	0.0	3.8	(3.8)	0.0
Total deferred tax (assets)/liabilities, net	**(120.8)**	**7.1**	**(113.7)**	**(109.7)**	**20.3**	**(89.4)**

Parent company	2015 Deferred tax assets	2015 Deferred tax liabilities	2015 Net	2014 Deferred tax assets	2014 Deferred tax liabilities	2014 Net
Intangible assets	0.0	1.1	1.1	0.0	1.1	1.1
Property, plant and equipment	(1.6)	1.9	0.3	(1.9)	8.0	6.1
Current assets	0.0	0.7	0.7	0.0	0.9	0.9
Liabilities	(17.8)	0.0	(17.8)	(1.5)	0.0	(1.5)
Other	0.0	1.9	1.9	(0.2)	4.9	4.7
Total deferred tax (assets)/liabilities, net	**(19.4)**	**5.6**	**(13.8)**	**(3.6)**	**14.9**	**11.3**
Set-off within legal tax entity	5.6	(5.6)	0.0	3.6	(3.6)	0.0
Total deferred tax (assets)/liabilities, net	**(13.8)**	**0.0**	**(13.8)**	**0.0**	**11.3**	**11.3**

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22 DEFERRED TAX CONT'D

Unrecognised deferred tax assets

	Group		Parent company	
	2015	**2014**	**2015**	**2014**
Unrecognised deferred tax assets at 1 January	45.8	61.8	0.0	0.0
Foreign exchange adjustment	(3.2)	(0.4)	0.0	0.0
Change in income tax rate	0.0	2.4	0.0	0.0
Additions	10.2	0.0	0.0	0.0
Disposals	(36.8)	(18.0)	0.0	0.0
Forfeiture of loss due to limitation	(6.4)	0.0	0.0	0.0
Unrecognised deferred tax assets at 31 December	**9.6**	**45.8**	**0.0**	**0.0**

Additions for the year were attributable to tax loss carry-forwards in Brazil which are not expected to be utilised within a five-year period. Disposals for the year of DKK 36.8 million related to a reassessment of previously unrecognised deferred tax assets, mainly in Hartmann North America, which have now been recognised in profit/loss for the year (2014: DKK 18.0 million).

Deferred tax assets that are not expected to be realised or are otherwise subject to significant risks of not being utilised are not recognised. Unrecognised deferred tax assets related to subsidiaries in Brazil, Finland and the United States.

The utilisation of unrecognised deferred tax assets is not subject to any time limit.

23 INVENTORIES

	Group		Parent company	
	2015	**2014**	**2015**	**2014**
Raw materials and consumables	113.4	74.0	48.5	30.1
Work in progress	13.8	3.1	12.7	2.8
Finished goods and goods for resale	86.7	54.1	26.5	22.9
Inventories	**213.9**	**131.2**	**87.7**	**55.8**
Inventories recognised at net realisable value	6.9	6.0	2.8	3.3

The group has not pledged inventories as security for debt items to any third party.

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24 TRADE RECEIVABLES

	Group		Parent company	
	2015	**2014**	**2015**	**2014**
Trade receivables (gross)	382.9	333.2	242.7	255.9
Provision for bad debt:				
Provision at 1 January	22.2	13.6	18.2	7.9
Provision for the year, net	7.0	8.9	4.9	10.3
Losses incurred during the year	0.1	(0.3)	0.0	0.0
Provision at 31 December	29.3	22.2	23.1	18.2
Trade receivables (net)	**353.6**	**311.0**	**219.6**	**237.7**
Trade receivables (net) correspond to an average credit period of (days)	61	70	62	69
Specification of trade receivables not written down:				
Not due	245.8	182.1	130.5	126.6
Overdue:				
By 1-30 days	46.8	58.0	39.7	49.9
By 31-60 days	5.2	5.3	2.8	4.3
By more than 60 days	3.9	3.7	0.8	1.9
	301.7	**249.1**	**173.8**	**182.7**
Specification of trade receivables written down:				
Not due	10.0	18.2	4.0	11.9
Overdue:				
By 1-30 days	1.1	2.5	1.1	2.5
By 31-60 days	0.7	1.3	0.7	1.3
By more than 60 days	40.1	39.9	40.0	39.3
	51.9	**61.9**	**45.8**	**55.0**
Trade receivables (net)	**353.6**	**311.0**	**219.6**	**237.7**

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25 SHARE CAPITAL

		Parent company
Share capital at 1 January 2011		140.3
Share capital at 31 December 2015	**7,015,090 shares of DKK 20 each**	**140.3**

No shares confer special rights.

Treasury shares
Pursuant to an authorisation from the shareholders, Brødrene Hartmann A/S may acquire up to 10% of its own shares. The authorisation is valid until 11 April 2016.

At 31 December 2015, Hartmann held 100,000 treasury shares (2014: 100,000) representing a nominal value of DKK 2 million, or 1.4% of the total share capital. The value of the shares at 31 December 2015 was DKK 27.3 million (2014: DKK 17.3 million).

Dividend
Proposed dividend
For the financial year ended 31 December 2015, the Board of Directors has proposed dividends of DKK 65.7 million (2014: DKK 65.7 million), corresponding to DKK 9.50 (2014: DKK 9.50) per share to be paid to the shareholders immediately after the annual general meeting to be held on 11 April 2016, subject to the shareholders' approval of the proposal. As the dividends are subject to approval by the shareholders, they have not been recognised as a liability in the balance sheet at 31 December 2015. Proposed dividend does not include dividend on treasury shares.

Dividend paid
In the financial year ended 31 December 2015, Hartmann distributed dividends of DKK 65.7 million (2014: DKK 65.7 million), corresponding to DKK 9.50 (2014: DKK 9.50) per share.

26 PENSION OBLIGATIONS

Defined contribution plans
Hartmann offers pension plans which cover certain groups of employees in Denmark and abroad. As a general rule, the pension plans are defined contribution plans under which Hartmann recognises regular payments of premiums to independent insurers who are responsible for the pension obligations (e.g. a fixed amount or a fixed percentage of the salary). Under a defined contribution plan, the group carries no risk in relation to future developments in interest rates, inflation, mortality or disability. Once the contributions under a defined contribution plan have been paid, Hartmann has no further pension obligations towards existing or former employees.

Defined benefit plans
Under a defined benefit plan, Hartmann has an obligation to pay a specific benefit (e.g. retirement pension in the form of a fixed proportion of the exit salary). Under these plans, Hartmann carries the risk in relation to future developments in interest rates, inflation, mortality, etc. A change in the assumptions upon which the calculation is based results in a change in the actuarial net present value.

In the event of changes in the assumptions used in the calculation of defined benefit plans for existing and former employees, actuarial gains and losses are recognised in other comprehensive income.

The total pension obligations relate to funded plans in the subsidiary Hartmann Canada Inc. and unfunded plans in the subsidiary Hartmann Verpackung GmbH.

The weighted average duration of the obligations are 16-19 years in Canada and 15 years in Germany.

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26 PENSION OBLIGATIONS CONT'D

	Group 2015	Group 2014
Recognition of defined benefit plans in the statement of comprehensive income:		
Pension costs for the year	3.6	2.5
Costs of plan administration for the year	0.3	0.4
Interest expenses, net	1.1	1.0
Recognised in profit/(loss) for the year	**5.0**	**3.9**
Return on plan assets (excluding amounts recognised in interest expenses, net)	1.3	(2.0)
Actuarial (gains)/losses from changes in demographic assumptions	0.0	3.3
Actuarial (gains)/losses from changes in financial assumptions	(0.5)	14.5
Actuarial (gains)/losses from experience-based adjustments	0.3	(0.6)
Assets not recognised due to asset cap	11.3	0.0
Tax	(3.5)	(4.0)
Recognised in other comprehensive income (income)	**8.9**	**11.2**
Recognised in comprehensive income (income)	**13.9**	**15.1**
Recognition of defined benefit plans in the balance sheet:		
Present value of plan with plan assets	83.0	83.3
Market value of plan assets	(73.5)	(72.0)
Net obligation of plans with plan assets	9.5	11.3
Present value of plan without plan assets	30.7	32.2
Assets not recognised due to asset cap	11.3	0.0
Recognised net obligation	**51.5**	**43.5**

The majority of pensions fall due more than one year after the balance sheet date.

	2015	2014
Change in defined benefit plan obligations		
Present value of pension obligations at 1 January	115.5	91.7
Foreign exchange adjustment	(5.9)	2.9
Pension costs for the year	3.6	2.5
Interest on pension obligation	4.1	4.0
Contributions from plan participants	1.8	1.3
Actuarial (gains) and losses:		
- From changes in demographic assumptions	0.0	3.3
- From changes in financial assumptions	(0.5)	14.5
- From experience-based adjustments	0.3	(0.6)
Pension benefits paid out	(5.2)	(4.1)
Present value of pension obligations at 31 December	**113.7**	**115.5**
Changes in defined benefit plan assets		
Fair value of plan assets at 1 January	72.0	60.7
Foreign exchange adjustment	(5.4)	2.8
Return on plan assets (excluding amounts recognised in interest expenses, net)	(1.3)	2.0
Interest on plan assets	3.0	3.0
Administrative expenses	(0.3)	(0.4)
Employer's contributions	8.7	6.0
Pension benefits paid out	(3.2)	(2.1)
Fair value of plan assets at 31 December	**73.5**	**72.0**

Hartmann expects to contribute DKK 8.7 million (2014: DKK 7.8 million) to pensions plans in 2016.

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26 PENSION OBLIGATIONS CONT'D

	Group 2015	2014
Breakdown of actual return on plan assets:		
Return on plan assets (excluding amounts recognised in interest expenses, net)	(1.3)	2.0
Interest on plan assets	3.0	3.0
	1.7	**5.0**

	2015 DKKm	2015 %	2014 DKKm	2014 %
Composition of plan assets:				
Shares and investment funds	45.9	62.4	46.4	64.4
Bonds and other securities	17.9	24.4	17.4	24.2
Cash and cash equivalents	9.7	13.2	8.2	11.4
	73.5	**100.0**	**72.0**	**100.0**

Plan assets are measured at fair value based on quoted prices in an active market. None of the plan assets have any relation to the group entities.

	Group 2015	2014
Defined benefit plans are calculated based on the following actuarial assumptions:		
Discount rate, %		
- Germany	2.06	1.90
- Canada, wage earners	4.10	4.10
- Canada, salaried employees	4.00	4.00
Expected pay rise, %		
- Germany	-	-
- Canada, wage earners	0.00	0.00
- Canada, salaried employees	3.00	3.00

The primary assumption applied in the calculation of the pension obligations is the discount rate. The sensitivity analysis stated below indicates the development of the pension obligation in the case of a change in the discount rate by 1 percentage point up or down.

	2015 + 1%	2015 - 1%	2014 + 1%	2014 - 1%
The pension obligation's sensitivity to changes in the discount rate:				
- Germany	(3.1)	3.3	(3.3)	3.7
- Canada, wage earners	(9.3)	11.9	(9.3)	12.1
- Canada, salaried employees	(3.6)	4.7	(3.6)	4.6

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27 GOVERNMENT GRANTS

	Group		Parent company	
	2015	2014	2015	2014
Government grants at 1 January	17.1	22.4	3.4	4.1
Foreign exchange adjustment	0.2	(1.0)	-	-
Disposals	(0.6)	(1.6)	0.0	0.0
Recognised in the statement of comprehensive income	(2.4)	(2.7)	(0.7)	(0.7)
Government grants at 31 December	**14.3**	**17.1**	**2.7**	**3.4**
Of which recognised as non-current liabilities	11.9	14.6	2.0	2.7
Of which recognised as current liabilities	2.4	2.5	0.7	0.7
	14.3	**17.1**	**2.7**	**3.4**

Hartmann regularly receives government grants for development-related and energy-saving projects. In 1995, Brødrene Hartmann A/S received a major grant towards the construction of the combined heat and power plant. No repayment obligations are currently linked to the grants.

In addition to the government grants to the parent company, Hartmann has received government grants for the production entity in Hungary.

The Hungarian subsidiary has received government grants in the form of direct grants and reduced future tax payments. The grants are capped at 50% of the investment made in the period 2006-2008 of DKK 72.3 million, of which direct grants represent DKK 9.0 million. If the eligibility criteria are not met, future grants receivable in the form of reduced tax payments may be reduced or discontinued. Actual government grants received in the form of reduced tax payments were an accumulated DKK 21.4 million at 31 December 2015 (2014: DKK 19.1 million). Hartmann expects to meet the eligibility criteria for the grants received in Hungary.

28 PROVISIONS

	Group		Parent company	
	2015	2014	2015	2014
Warranty commitments at 1 January	2.6	2.1	2.1	2.1
Additions	1.7	2.0	1.4	1.5
Disposals	(1.7)	(1.5)	(1.2)	(1.5)
Warranty commitments at 31 December	**2.6**	**2.6**	**2.3**	**2.1**
Restructuring at 1 January	0.0	16.1	0.0	16.1
Additions	85.0	0.0	85.0	0.0
Paid	(12.0)	(16.1)	(12.0)	(16.1)
Restructuring at 31 December	**73.0**	**0.0**	**73.0**	**0.0**
Provisions at 31 December	**75.6**	**2.6**	**75.3**	**2.1**

Provision has been made for warranty commitments in cover of contract-related warranty complaints for goods and services already delivered. The commitment has been calculated on the basis of historical warranty costs. Provisions for restructuring comprise restructuring related to organisational adaptation of the European production network and at the head office, as well as costs related to the closure of the German factory.

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29 OTHER PAYABLES

	Group		Parent company	
	2015	**2014**	**2015**	**2014**
Wages, salaries and holiday pay, etc.	79.3	62.4	38.8	40.2
VAT and other indirect taxes	0.1	2.5	0.0	2.2
Forward exchange contracts	9.4	3.7	1.2	2.9
Other debt	53.2	20.0	35.5	10.7
Other payables	**142.0**	**88.6**	**75.5**	**56.0**

30 FEE TO SHAREHOLDER-APPOINTED AUDITOR

	Group		Parent company	
	2015	**2014**	**2015**	**2014**
Fee to Deloitte				
Statutory audit	2.8	1.9	1.2	1.0
Assurance engagements other than audits	0.1	0.1	0.1	0.1
Tax and VAT-related services	0.1	0.1	0.0	0.1
Consultancy services related to acquisitions of subsidiaries	0.0	2.0	0.0	2.0
Other services	1.1	0.7	1.1	0.6
Fee to shareholder-appointed auditor	**4.1**	**4.8**	**2.4**	**3.8**

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31 PROVISION OF SECURITY AND CONTINGENT LIABILITIES

Guarantees
Brødrene Hartmann A/S has provided a parent company guarantee to Hartmann (UK) Ltd. to allow them to claim exemption from audit under section 479A of the British Companies Act 2006. At year-end, the amounts owed to creditors of Hartmann (UK) Ltd. were DKK 0.8 million (2014: DKK 0.8 million).

Joint taxation
Brødrene Hartmann A/S and its Danish subsidiaries are jointly taxed with Thornico Holding A/S, which is the management company. The company and the Danish subsidiaries thus have secondary liability with respect to income taxes etc. and any obligations to withhold taxes on interest, royalties and dividends applying to the jointly taxed companies. Such secondary liability is, however, capped at an amount equal to the portion of the share capital in the company held directly or indirectly by the ultimate parent company. The total tax obligation of the jointly taxed companies is disclosed in the financial statements of the management company.

Pending litigation
As stated in note 3, Hartmann is party to a dispute with district heating company Tønder Fjernvarme. In 2008, Tønder Fjernvarme filed a complaint with the Danish Energy Regulatory Authority concerning the pricing of district heating supplied by Hartmann's combined heat and power plant. On 4 September 2015, the Secretariat of the Danish Energy Regulatory Authority made a decision in the matter, which concerns the years 2003-2014. Hartmann filed an appeal against the decision with the Energy Board of Appeal. See company announcement no. 10/2015 of 4 September 2015 and note 3. If the decision by the Secretariat of the Energy Regulatory Authority is upheld, Hartmann will incur costs of roughly DKK 50 million, adversely affecting cash flows by about DKK 10 million. Based on an internal review of the matter and indications from external advisers, management believes that the Energy Board of Appeal is very likely to reverse the decision.

Furthermore, the group is party to a few lawsuits and disputes. Management believes that these lawsuits and disputes will not significantly affect the financial position of the group or the parent company.

32 OPERATING LEASES

	Group		Parent company	
	2015	**2014**	**2015**	**2014**
Expected maturity				
In 1 year or less	13.6	12.9	6.5	6.5
In 1-5 years	30.4	37.3	12.7	16.1
After 5 years	0.0	1.4	0.0	1.4
Rental and leasing obligations	**44.0**	**51.6**	**19.2**	**24.0**
Rental and leasing expenses (operating leases)	12.9	10.6	6.4	5.0

Notes

33 FINANCIAL RISKS

General risks
Hartmann's financial results and equity are influenced by a number of financial risks, among them interest rate, currency, liquidity and credit risks.

See note 34 for a specification of financial instruments.

Financial risk management
The guidelines for managing Hartmann's financial risks are set out in its finance policy, which has been approved by the Board of Directors.

Hartmann uses financial instruments to hedge some of the financial risks that arise out of its commercial activities. The group does not engage in transactions for the purpose of speculation.

Hartmann has centralised the management of its financial risks in the finance function, which also acts as a service centre to all subsidiaries.

Interest rate risk
Hartmann's interest rate risk relates mainly to the group's interest bearing debt to credit institutions.

Management of interest rate risk
It is Hartmann's policy to seek to reduce the impact of interest rate fluctuations on its profit/loss and financial position to the greatest extent possible.

Financing is primarily arranged in the form of non-current, committed credit facilities in DKK.

It is Hartmann's policy to assess on an ongoing basis if a proportion of the group's non-current credit facilities may be favourably converted into fixed-rate facilities using interest-rate swaps.

The credit facilities carry a floating rate and have not been converted into fixed-rate facilities.

A change in the general interest rate level by 1 percentage point would affect profit/loss for the year by approximately DKK 6 million (2014: approximately DKK 2 million).

Currency risk
Hartmann's currency risks consist of transaction risk and translation risk.

Hartmann is exposed to transaction risk 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 the group's single largest transaction risks.

Other significant transaction risks relate to the currencies CHF, EUR, GBP, HRK, HUF and PLN.

Due to its foreign subsidiaries, Hartmann is exposed to translation risks since a part of the group's earnings and net assets derives from these foreign subsidiaries and is therefore translated and included in the consolidated financial statements, which are presented in DKK.

In terms of net position, foreign subsidiaries reporting in the currencies ARS, BRL, CAD, HRK, HUF and ILS represent Hartmann's greatest translation exposure.

Management of currency risk
As part of its currency policy, Hartmann seeks to reduce the impact of exchange rate fluctuations on its profit/(loss) and financial position to the greatest extent possible.

Hartmann hedges its transaction risk to the effect that primary currencies are continuously hedged for a period of not less than 9 and not more than 12 months.

Gains and losses on derivative financial instruments are recognised in profit or loss when the hedged transactions are realised. The effectiveness of hedges is assessed on an ongoing basis.

Translation risks are not hedged, as they do not have any direct impact on Hartmann's cash resources or underlying cash flows.

Currency risk relating to investments in foreign subsidiaries is not hedged.

Liquidity risk
Liquidity risk is the risk that Hartmann will be unable to meet its obligations as they fall due because of inability to liquidate assets or obtain adequate funding.

Management of liquidity risk
It is Hartmann's policy to ensure maximum flexibility and sufficient cash resources to allow the company to continue to operate adequately in case of unforeseen fluctuations in liquidity.

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The group's non-current, committed facility is a loan of DKK 350 million expiring on 31 December 2018 with an option to extend by up to one year. The group also raised a five-year loan for the purpose of acquiring subsidiaries in South America. The loan amounts to DKK 400 million and expires at 31 December 2019.

The interest margin on both loans is floating and is fixed each quarter based on the group's earnings.

The loans are subject to standard covenants which Hartmann must observe in order to maintain the loans, including special financial covenants concerning the financial ratios 'solvency' and 'net interest-bearing debt' relative to 'operating profit/(loss) before depreciation, amortisation and impairment'. In 2015, the group complied with all covenants.

The agreement on the loans further contains a number of provisions whereby significant credit facilities may be withdrawn in the event of a change of control of Hartmann.

The agreement also contains cross-default clauses.

The group's short-term liquidity is managed primarily by the transfer of liquidity from the subsidiaries to the parent company for the purpose of directing cash to units with cash requirements.

Financing in Hartmann's subsidiaries is primarily arranged through the parent company. However, local conditions may result in financing being arranged through one of the group's foreign banks.

The drawing rights are short-term credit facilities on which the group may draw and which may at any time be terminated by the bank.

The group's undrawn credit facilities with banks amounted to DKK 309 million at 31 December 2015 (2014: DKK 355 million). Cash amounted to DKK 129 million at 31 December 2015 (2014: DKK 56 million). Total cash available to the group thus amounted to DKK 438 million at 31 December 2015 (2014: DKK 411 million). The calculation of total cash did not take into account compliance with covenants.

Management believes that the group has sufficient cash resources to cover the ongoing financing of current and planned operations.

Credit risk
Hartmann's credit risk arises in relation to the risk of losses on receivables, financial instruments with a positive fair value and cash.

Management of credit risk
It is Hartmann's policy to take out credit insurance on its trade receivables. Local conditions may make it impossible to take out credit insurance. In these cases, Hartmann applies a stricter internal credit assessment procedure, retrieving information on credit assessments from various information sources.

Provisions for bad debt are made individually. The credit risk in relation to receivables is therefore assessed to be reflected in carrying amounts.

It is Hartmann's policy to limit trading in derivative financial instruments and investments of surplus liquidity to banks with satisfactory credit ratings from one or more credit rating agencies.

Hartmann does not have any significant credit risk in relation to derivative financial instruments or cash. The maximum credit risk corresponds to the carrying amount.

Capital structure
It is the group's objective to achieve a level of flexibility sufficient to carry out and fulfil the strategic objectives while at the same time ensuring a competitive yield for its shareholders. It is also an objective to secure financial stability for the purpose of reducing the cost of capital.

The Board of Directors takes the general view that excess capital should be distributed by means of dividends or share buy-backs in order to generally maintain Hartmann's equity ratio at a maximum of 45%. However, the level of dividend declared will always take into account Hartmann's growth plans and liquidity requirements. The agreement on the loans further contains restrictions with respect to Brødrene Hartmann A/S' possibility of distributing dividends, since changes in the general dividend policy are subject to consent from the bank.

At the annual general meeting to be held on 11 April 2016, the Board of Directors will propose that the company distribute dividends of DKK 9.50 per share for the financial year ended 31 December 2015.

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34 FINANCIAL INSTRUMENTS

Maturities of financial liabilities including interest payments

Group	Carrying amount	Payment obligation	In 1 year or less	In 1-5 years	After 5 years
2015					
Credit institutions	599.0	674.6	29.3	645.3	0.0
Overdraft facilities	24.9	24.9	24.9	0.0	0.0
Trade payables	156.6	156.6	156.6	0.0	0.0
Payables to associates	5.7	5.7	5.7	0.0	0.0
Restructuring costs	73.0	73.0	73.0	0.0	0.0
Other payables	142.0	142.0	142.0	0.0	0.0
	1,001.2	**1,076.8**	**431.5**	**645.3**	**0.0**
2014					
Credit institutions	216.6	227.0	2.6	224.4	0.0
Trade payables	148.6	148.6	148.6	0.0	0.0
Payables to associates	3.4	3.4	3.4	0.0	0.0
Other payables	88.6	88.6	88.6	0.0	0.0
	457.2	**467.6**	**243.2**	**224.4**	**0.0**

Parent company	Carrying amount	Payment obligation	In 1 year or less	In 1-5 years	After 5 years
2015					
Credit institutions	558.2	592.4	8.6	583.8	0.0
Trade payables	61.7	61.7	61.7	0.0	0.0
Payables to subsidiaries	195.7	195.7	195.7	0.0	0.0
Payables to associates	5.7	5.7	5.7	0.0	0.0
Restructuring costs	73.0	73.0	73.0	0.0	0.0
Other payables	75.5	75.5	75.5	0.0	0.0
	969.8	**1,004.0**	**420.2**	**583.8**	**0.0**
2014					
Credit institutions	216.6	227.0	2.6	224.4	0.0
Trade payables	86.4	86.4	86.4	0.0	0.0
Payables to subsidiaries	104.4	104.4	104.4	0.0	0.0
Payables to associates	3.4	3.4	3.4	0.0	0.0
Other payables	56.0	56.0	56.0	0.0	0.0
	466.8	**477.2**	**252.8**	**224.4**	**0.0**

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34 FINANCIAL INSTRUMENTS CONT'D

Financial instrument categories

Group	2015 Carrying amount	2015 Fair value	2014 Carrying amount	2014 Fair value
Derivative financial instruments to hedge future cash flows	2.6	2.6	0.4	0.4
Financial assets used as hedging instruments	**2.6**	**2.6**	**0.4**	**0.4**
Trade receivables	353.6	353.6	311.0	311.0
Other receivables	69.0	69.0	45.5	45.5
Cash	128.9	128.9	56.0	56.0
Loans and receivables	**551.5**	**551.5**	**412.5**	**412.5**
Derivative financial instruments to hedge future cash flows	9.4	9.4	3.7	3.7
Financial liabilities used as hedging instruments	**9.4**	**9.4**	**3.7**	**3.7**
Credit institutions	623.9	623.9	216.6	216.6
Other liabilities	381.6	381.6	245.4	245.4
Financial liabilities measured at amortised cost	**1,005.5**	**1,005.5**	**462.0**	**462.0**

Parent company	2015 Carrying amount	2015 Fair value	2014 Carrying amount	2014 Fair value
Derivative financial instruments to hedge future cash flows	2.6	2.6	0.4	0.4
Financial assets used as hedging instruments	**2.6**	**2.6**	**0.4**	**0.4**
Trade receivables	219.6	219.6	237.7	237.7
Receivables from subsidiaries	0.0	0.0	154.9	154.9
Other receivables	23.2	23.2	16.9	16.9
Cash	47.0	47.0	26.0	26.0
Loans and receivables	**289.8**	**289.8**	**435.5**	**435.5**
Derivative financial instruments to hedge future cash flows	1.2	1.2	2.9	2.9
Financial liabilities used as hedging instruments	**1.2**	**1.2**	**2.9**	**2.9**
Credit institutions	558.2	558.2	216.6	216.6
Other liabilities	421.3	421.3	254.7	254.7
Financial liabilities measured at amortised cost	**979.5**	**979.5**	**471.3**	**471.3**

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34 FINANCIAL INSTRUMENTS CONT'D

Fair value of derivative financial instruments

Hartmann's primary currency exposure relates to sales denominated in currencies other than the functional currency of the individual group companies. Interest rate exposure relates to changes in the market rate applicable to the group's interest-bearing debt. Forward exchange contracts are used to hedge future cash flows. In accordance with the group's accounting policies, the fair value of financial instruments has been recognised in receivables and payables at 31 December 2015. Changes in the fair value of financial instruments qualifying as hedges of future cash flows are recognised in other comprehensive income. The fair value of derivative financial instruments to hedge future cash flows is based on observable data (level 2).

	2015			2014		
Group	Positive	Negative	Net	Positive	Negative	Net
Forward contract, CHF/DKK	0.0	(0.2)	(0.2)	0.0	0.0	0.0
Forward contract, DKK/HUF	0.0	(0.3)	(0.3)	0.0	(0.8)	(0.8)
Forward contract, EUR/HRK	0.1	(0.3)	(0.2)	0.0	0.0	0.0
Forward contract, EUR/HUF	0.0	0.0	0.0	0.0	(1.7)	(1.7)
Forward contract, GBP/DKK	2.5	(0.1)	2.4	0.0	(0.4)	(0.4)
Forward contract, PLN/DKK	0.0	(0.3)	(0.3)	0.4	0.0	0.4
Forward contract, USD/CAD	0.0	(8.2)	(8.2)	0.0	(0.8)	(0.8)
	2.6	**(9.4)**	**(6.8)**	**0.4**	**(3.7)**	**(3.3)**
Expected maturity						
In 1 year or less	2.6	(9.4)	(6.8)	0.4	(3.7)	(3.3)
	2.6	**(9.4)**	**(6.8)**	**0.4**	**(3.7)**	**(3.3)**

	2015			2014		
Parent company	Positive	Negative	Net	Positive	Negative	Net
Forward contract, CHF/DKK	0.0	(0.2)	(0.2)	0.0	0.0	0.0
Forward contract, DKK/HUF	0.0	(0.3)	(0.3)	0.0	(0.8)	(0.8)
Forward contract, EUR/HRK	0.1	(0.3)	(0.2)	0.0	0.0	0.0
Forward contract, EUR/HUF	0.0	0.0	0.0	0.0	(1.7)	(1.7)
Forward contract, GBP/DKK	2.5	(0.1)	2.4	0.0	(0.4)	(0.4)
Forward contract, PLN/DKK	0.0	(0.3)	(0.3)	0.4	(0.0)	0.4
	2.6	**(1.2)**	**1.4**	**0.4**	**(2.9)**	**(2.5)**
Expected maturity						
In 1 year or less	2.6	(1.2)	1.4	0.4	(2.9)	(2.5)
	2.6	**(1.2)**	**1.4**	**0.4**	**(2.9)**	**(2.5)**

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34 FINANCIAL INSTRUMENTS CONT'D

Hedging of future cash flows

	2015			2014		
Group	Notional Amount	Fair value	Recognised in other comprehen-sive income	Notional Amount	Fair value	Recognised in other comprehen-sive income
Forward contract, CHF/DKK	49.6	(0.2)	(0.2)	22.3	0.0	0.0
Forward contract, DKK/HUF	30.7	(0.3)	(0.3)	28.3	(0.8)	(0.8)
Forward contract, EUR/HRK	70.3	(0.2)	(0.2)	46.7	0.0	0.0
Forward contract, EUR/HUF	0.0	0.0	0.0	57.6	(1.7)	(1.7)
Forward contract, GBP/DKK	82.4	2.4	2.4	46.2	(0.4)	(0.4)
Forward contract, PLN/DKK	31.5	(0.3)	(0.3)	26.2	0.4	0.4
Forward contract, USD/CAD	164.5	(8.2)	(8.2)	66.2	(0.8)	(0.8)
	429.0	**(6.8)**	**(6.8)**	**293.5**	**(3.3)**	**(3.3)**

	2015			2014		
Parent company	Notional Amount	Fair value	Recognised in other comprehen-sive income	Notional Amount	Fair value	Recognised in other comprehen-sive income
Forward contract, CHF/DKK	49.6	(0.2)	(0.2)	22.3	0.0	0.0
Forward contract, DKK/HUF	30.7	(0.3)	(0.3)	28.3	(0.8)	(0.8)
Forward contract, EUR/HRK	70.3	(0.2)	(0.2)	46.7	0.0	0.0
Forward contract, EUR/HUF	0.0	0.0	0.0	57.6	(1.7)	(1.7)
Forward contract, GBP/DKK	82.4	2.4	2.4	46.2	(0.4)	(0.4)
Forward contract, PLN/DKK	31.5	(0.3)	(0.3)	26.2	0.4	0.4
	264.5	**1.4**	**1.4**	**227.3**	**(2.5)**	**(2.5)**

All forward contracts are transferred to profit/loss within one year.

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34 FINANCIAL INSTRUMENTS CONT'D

Fair value hedging

	2015				2014			
	Monetary items		Hedged through hedging	Net	Monetary items		Hedged through hedging	Net
Group	Assets*	Liabilities	instruments	position	Assets*	Liabilities	instruments	position
ARS	47.9	(81.0)	0.0	(33.1)	0.0	0.0	0.0	0.0
BRL	63.5	(43.4)	0.0	20.1	0.0	0.0	0.0	0.0
CAD	44.5	(17.2)	0.0	27.3	32.8	(23.4)	0.0	9.4
CHF	10.6	(1.9)	0.0	8.7	4.1	(3.7)	0.0	0.4
EUR	117.7	(110.8)	0.0	6.9	121.3	(188.5)	0.0	(67.2)
GBP	34.8	(0.8)	0.0	34.0	27.0	(1.0)	0.0	26.0
HUF	19.5	(21.7)	0.0	(2.2)	51.0	(19.6)	0.0	31.4
PLN	33.7	(1.0)	0.0	32.7	22.3	(0.8)	0.0	21.5
SEK	21.5	(0.3)	0.0	21.2	9.4	0.0	0.0	9.4
USD	49.5	(9.3)	0.0	40.2	50.9	(24.4)	0.0	26.5
Other currencies	63.3	(21.4)	0.0	41.9	66.4	(19.2)	0.0	47.2

* Excluding equity-like loans included in 'Hedging of net assets in foreign subsidiaries'.

	2015				2014			
	Monetary items		Hedged through hedging	Net	Monetary items		Hedged through hedging	Net
Parent company	Assets	Liabilities	instruments	position	Assets	Liabilities	instruments	position
BRL	68.1	0.0	0.0	68.1	0.0	0.0	0.0	0.0
CAD	8.5	(76.3)	0.0	(67.8)	21.7	(0.1)	0.0	21.6
CHF	6.6	(0.8)	0.0	5.8	4.2	(6.4)	0.0	(2.2)
EUR	257.5	(147.7)	0.0	109.8	251.3	(207.9)	0.0	43.4
GBP	34.6	(6.5)	0.0	28.1	26.9	(4.9)	0.0	22.0
HUF	3.8	(35.0)	0.0	(31.2)	35.1	(39.4)	0.0	(4.3)
PLN	33.6	(5.0)	0.0	28.6	22.1	(4.2)	0.0	17.9
SEK	21.5	(0.3)	0.0	21.2	9.4	0.0	0.0	9.4
USD	20.1	(0.6)	0.0	19.5	21.9	(18.6)	0.0	3.3
Other currencies	16.4	(9.7)	0.0	6.7	15.2	(6.7)	0.0	8.5

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34 FINANCIAL INSTRUMENTS CONT'D

Hedging of net assets in foreign subsidiaries

Grop	2015 Investment*	2015 Amount hedged	2015 Net position	2015 Curr. adjustment recognised in other comprehensive income	2014 Investment*	2014 Amount hedged	2014 Net position	2014 Curr. adjustment recognised in other comprehensive income
ARS	68.2	0.0	68.2	(24.6)	0.0	0.0	0.0	0.0
BRL	172.0	0.0	172.0	(54.6)	0.0	0.0	0.0	0.0
CAD	349.4	0.0	349.4	(24.7)	275.7	0.0	275.7	10.8
CHF	2.1	0.0	2.1	0.2	2.0	0.0	2.0	0.0
EUR	37.2	0.0	37.2	0.1	29.3	0.0	29.3	(0.1)
GBP	3.3	0.0	3.3	0.1	2.6	0.0	2.6	0.2
HRK	39.1	0.0	39.1	0.4	48.3	0.0	48.3	(0.2)
HUF	83.5	0.0	83.5	(0.1)	71.4	0.0	71.4	(4.0)
ILS	45.1	0.0	45.1	4.2	35.3	0.0	35.3	0.3
PLN	2.6	0.0	2.6	0.0	2.6	0.0	2.6	(0.1)
USD	(3.5)	0.0	(3.5)	0.4	(3.5)	0.0	(3.5)	1.7
Other currencies	1.4	0.0	1.4	0.0	0.6	0.0	0.6	0.0
	800.4	**0.0**	**800.4**	**(98.6)**	**464.3**	**0.0**	**464.3**	**8.6**

* Including equity-like loans.

Interest rate risk

Group	2015 Nominal value	2015 Carrying amount	2015 Interest rate	2015 Interest rate risk	2014 Nominal value	2014 Carrying amount	2014 Interest rate	2014 Interest rate risk
Credit institutions								
Fixed rate	24.3	24.3	19.0%	Fair value	0.0	0.0	0.0%	Fair value
Floating rate	576.5	574.7	1.5%	Cash flow	219.1	216.6	0.8%	Cash flow

Parent company	2015 Nominal value	2015 Carrying amount	2015 Interest rate	2015 Interest rate risk	2014 Nominal value	2014 Carrying amount	2014 Interest rate	2014 Interest rate risk
Receivables from subsidiaries								
Fixed rate	37.7	37.7	8.0%	Fair value	6.7	6.7	5.0%	Fair value
Floating rate	153.9	153.9	1.0%-1.5%	Cash flow	138.4	138.4	1.6%	Cash flow
Credit institutions								
Floating rate	560.0	558.2	1.5%	Cash flow	219.1	216.6	0.8%	Cash flow
Payables to subsidiaries								
Fixed rate	7.0	7.0	4.0%	Fair value	0.0	0.0	0.0%	Fair value
Floating rate	98.4	98.4	1.5%-3.3%	Cash flow	37.4	37.4	1.8%	Cash flow

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35 RELATED PARTIES

Sales of goods to related parties are made at standard selling prices. Purchases of goods are also made at market prices less discounts offered on the basis of volumes purchased.

No security or guarantees have been provided in respect of any balances at the balance sheet date. Receivables and trade payables are settled in cash. No losses have been incurred, and no provisions for probable losses have been made in respect of receivables from related parties.

In addition to dividend paid, the below transactions have been recognised in the statement of comprehensive income and the balance sheet.

	Group		Parent company	
	2015	2014	2015	2014
Companies with a controlling interest				
Revenue	0.0	12.2	0.0	12.2
Prepayments from customers	0.0	9.1	0.0	9.1
Associates				
Production costs	41.7	36.6	41.7	36.6
Payables to associates	5.7	3.4	5.7	3.4
Subsidiaries				
Revenue	-	-	110.5	59.2
Production costs	-	-	567.5	622.8
Other costs recognised in operating profit/(loss)	-	-	0.3	(1.6)
Interest income	-	-	1.7	2.0
Interest expenses	-	-	1.8	0.9
Receivables from subsidiaries, non-current	-	-	191.6	145.1
Receivables from subsidiaries, current	-	-	37.6	9.8
Payables to subsidiaries	-	-	195.7	104.4

In addition to the above, Hartmann acquired Projects A/S from Lactosan-Sanovo Holding A/S at 6 January 2015. See note 36.

Companies with a controlling interest in Brødrene Hartmann A/S consist of Lactosan-Sanovo Holding A/S, which is the immediate owner, and Thornico Holding A/S, which is the ultimate owner. Brødrene Hartmann A/S is included in the consolidated financial statements of Thornico Holding A/S.

Associates consist of Danfiber A/S. See note 20.

Subsidiaries consist of companies in which Brødrene Hartmann A/S has a controlling interest. See note 18. Transactions with subsidiaries have been eliminated in the consolidated financial statements in accordance with the accounting policies.

The remuneration paid to the members of the Executive Board and the Board of Directors is disclosed in note 9 and is not included in the amounts stated above.

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36 ACQUISITIONS

Business combinations

At 6 January 2015, Hartmann acquired the South American moulded-fibre activities of Lactosan Sanovo Holding A/S (Sanovo Greenpack) from its majority shareholder and thus a related party. The transaction was executed as a purchase of shares in Projects A/S. Hartmann acquired 100% of the voting rights and the ownership interest.

Sanovo Greenpack is South America's leading manufacturer of moulded-fibre packaging for eggs and fruit with about 600 employees and four production facilities in Brazil and Argentina.

Hartmann is significantly expanding its business volume through its presence in the growth markets in South America, strengthening its global position within production and sales of moulded-fibre egg packaging.

The South American revenue is derived from sales of moulded-fibre egg and fruit packaging, mainly to the attractive markets in Brazil and Argentina, which are characterised by favourable demographic trends and growing urbanisation. In addition, the production facilities in Brazil and Argentina are based on machine technology developed and manufactured by Hartmann, which allows for synergies in operating and maintaining the machinery.

Specification of recognition of acquired assets and liabilities

	Final	Provisional
Intangible assets	49.9	40.4
Property, plant and equipment	124.3	123.1
Deferred tax assets	20.1	35.2
Inventories	58.8	56.9
Receivables	109.8	114.4
Cash and cash equivalents	17.2	17.2
Credit institutions	(44.3)	(44.3)
Deferred tax liabilities	(23.7)	(16.9)
Trade payables	(26.0)	(26.0)
Other payables	(47.8)	(50.8)
Provisions	(11.1)	(20.0)
Net assets taken over	**227.2**	**229.2**
Goodwill	72.8	70.8
Purchase consideration	**300.0**	**300.0**
Of which cash	(17.2)	(17.2)
Cash purchase consideration	**282.8**	**282.8**
Overdraft facilities	44.3	44.3
Cash flow effect	**327.1**	**327.1**

In connection with the acquisition, Hartmann incurred transaction costs of about DKK 7 million, primarily for consultancy services, recognised in special items in the statement of comprehensive income for 2014.

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36 ACQUISITIONS CONT'D

The fair value of acquired technical plant is estimated on the basis of the depreciated replacement cost.

In connection with the acquisition, separate intangible assets were identified in the form of trademarks and customer relations.

The fair value of acquired trademarks is calculated by discounting the royalty payments that will be saved through owning the right of use of the trademark (the relief-from-royalty method). A discount rate at a level of 12-13% has been applied, depending on the market in question. A discount rate after tax has been applied.

The fair value of customer relations is determined through use of the multi-period excess earnings method (MEEM). Customer relations are calculated as the present value of the net cash flow generated by sales to customers after deduction of a reasonable return on all other assets which contribute to generating the cash flows in question.

The fair value of the acquired finished goods and work in progress is determined on the basis of expected selling prices to be obtained in the course of normal business operations less expected completion costs and costs incurred to execute the sale, and with deduction of a reasonable profit on the sales effort and a reasonable profit on the completion.

The fair value of the acquired raw materials and goods for sale is determined at replacement cost.

Receivables are measured at the fair value of the amounts that are expected to be received less expected costs for collection.

Liabilities are measured at the present value of the amounts that are required for settling the liabilities. The group's loan interest rate before tax is used in the case of discounting.

After recognition of identifiable assets, liabilities and contingent liabilities at fair value, goodwill has been determined at DKK 73 million. Goodwill represents the value of the existing staff, access to new markets as well as the expected synergies from the merger with Hartmann. The recognised goodwill is not tax deductible.

Of the group's revenue for 2015 of DKK 2,133 million, DKK 461 million may be attributed to Sanovo Greenpack. Of the group's profit for 2015 of DKK 111 million, DKK 19 million may be attributed to Sanovo Greenpack. Revenue and profit/loss for Sanovo Greenpack for the financial year and from the date of acquisition, respectively, are identical.

37 EVENTS AFTER THE BALANCE SHEET DATE

In company announcement no. 1/2016 of 13 January 2016, following consultations with employee representatives, Hartmann announced that the group's German factory is scheduled for closure in Q2 2016 as previously proposed. Production will be transferred to other European factories where capacity is currently being expanded.

In company announcement no. 2/2016, Hartmann announced the group's intention to invest some USD 30 million in setting up production in the US midwest with the aim of continuing the positive trend in sales in North America.

No significant events have occurred after the balance sheet date of significance to the consolidated financial statements or the parent company financial statements other than what has been recognised or mentioned in this annual report.

38 ACCOUNTING POLICIES

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements comprise the parent company, Brødrene Hartmann A/S, and enterprises in which the parent company directly or indirectly holds the majority of voting rights or which the parent company in some other way controls (subsidiaries). Enterprises in which the group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates. The consolidated financial statements are prepared on the basis of the financial statements of the parent company and the subsidiaries by combining like items. The financial statements used for the annual report of the group have been prepared in accordance with the group's accounting policies. On consolidation, intra-group income and expenses, shareholdings, dividends, balances, and realised and unrealised gains and losses on intra-group transactions are eliminated. The parent company's investments in the consolidated subsidiaries are set off against the parent company's share of the subsidiaries' fair value of identified net assets determined at the date of consolidation.

Business combinations
Newly acquired enterprises are recognised in the consolidated financial statements from the date of acquisition. The date of acquisition is the date on which control of the company is de facto taken over.

In the acquisition of new enterprises where the group obtains control over the acquired enterprise, the acquisition method is used, under which the acquired enterprises' identifiable assets, liabilities

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and contingent liabilities are measured at fair value at the date of acquisition. Restructuring costs are recognised in the pre-acquisition balance sheet only if they constitute an obligation for the acquired enterprise. The tax effect of the revaluations performed is taken into account.

The purchase consideration for an enterprise consists of the fair value of the consideration paid for the acquired enterprise. If the final determination of the consideration is contingent on one or more future events, such events are recognised at fair value at the date of acquisition. Costs relating to the acquisition are recognised in profit or loss when incurred.

Positive balances (goodwill) between the purchase consideration for the acquired enterprise and the fair value of the acquired assets, liabilities and contingent liabilities are recognised as an asset in intangible assets and tested for impairment at least once a year. If the carrying amount of the asset exceeds its recoverable amount, it is written down to the lower recoverable amount.

In the case of negative balances (negative goodwill), the fair values and the purchase consideration are reassessed. If the balance is still negative, it is recognised as income in profit or loss.

If at the date of acquisition there is uncertainty about the identification or measurement of acquired assets, liabilities or contingent liabilities or the determination of the purchase consideration, initial recognition is made on the basis of initially calculated values. These values may be adjusted or additional assets or liabilities may be recognised until 12 months after the acquisition, if new information is obtained about circumstances that existed at the date of acquisition and which would have affected the calculation of the values at the date of acquisition had the information been known.

Subsequent changes in estimates of conditional purchase considerations are as a general rule recognised directly in profit or loss.

Foreign currency translation

A functional currency is designated for each of the reporting entities in the group. The functional currency is the currency used in the primary economic environment in which the reporting entity operates. Transactions denominated in currencies other than the functional currency are transactions in foreign currency. On initial recognition, transactions denominated in foreign currency are translated into the functional currency at the exchange rate at the transaction date. Gains and losses arising between the rate at the transaction date and the rate at the date of payment are recognised in the statement of comprehensive income under financial income and expenses, net. Receivables, payables and other monetary items denominated in foreign currency are translated into the functional currency at the exchange rate at the balance sheet date. Differences between the rate at the balance sheet date and the rate at the transaction date or the exchange rate stated in the latest annual report are recognised in the statement of comprehensive income under financial income and expenses, net. On recognition of foreign subsidiaries and associates with functional currencies other than DKK, comprehensive income statement items are translated at the rate at the transaction date, and balance sheet items including goodwill are translated at the rate at the balance sheet date. The rate at the transaction date is calculated as the average rate of the individual month to the extent that this does not significantly distort the presentation.

Foreign exchange differences arising on the translation of opening equity of these entities at the rate at the balance sheet date and on the translation of comprehensive income statement items from average rates to the rate at the balance sheet date are recognised in the consolidated financial statements in other comprehensive income in equity as a separate translation reserve. Foreign exchange adjustments of intra-group balances with foreign subsidiaries, which are considered part of the net investment in subsidiaries with functional currencies other than DKK, are recognised in the consolidated financial statements in other comprehensive income. Similarly, foreign exchange gains and losses on the parts of loans and derivative financial instruments that are designated as hedges of foreign subsidiaries, which effectively set off foreign exchange gains and losses on investments in the subsidiary, are also recognised in the consolidated financial statements in other comprehensive income.

On full or partial divestment of a foreign entity or on the settlement of intra-group balances that are considered part of the net investment, the part of accumulated foreign exchange adjustment that is recognised in equity and that is attributable to that entity is recognised in profit/loss for the year together with any gains or losses from the divestment.

Derivative financial instruments

The group uses forward exchange contracts to limit its currency and interest rate exposure Derivative financial instruments are not used for speculative purposes. Derivative financial instruments are recognised at cost at the date of transaction and are subsequently recognised at fair value at the balance sheet date. The fair value of derivative financial instruments is recognised in other receivables (positive value) and other payables (negative value). Realised and unrealised gains and losses on contracts are recognised in the statement of comprehensive income under financial income and expenses, unless the derivative financial instruments have been used to hedge future cash flows. Value adjustments of derivative financial instruments used to hedge future cash flows are recognised in other comprehensive income if the hedge is effective. Value adjustments of any ineffective part of the relevant derivative financial instruments are recognised in financial income and expenses. When the hedged transaction is realised, the gain or loss on the hedging instrument is

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recognised in the same item as the hedged item, and the amount recognised in other comprehensive income is reversed. If a hedged transaction is no longer expected to take place, the accumulated net gains or net losses are taken to profit/loss for the year from other comprehensive income. The fair values of derivative financial instruments are computed on the basis of current market data and generally accepted valuation methods.

STATEMENT OF COMPREHENSIVE INCOME

Revenue
Revenue from the sale of goods for resale and finished goods is recognised in profit/loss for the year when delivery and transfer of risk to the buyer has taken place, provided the income can be reliably measured and is expected to be received. Revenue relating to services is recognised as and when the services are delivered. Revenue from minor repair and renovation work is recognised when the task is completed. In the case of major tasks, revenue is recognised as and when the tasks are performed. Revenue is measured at the fair value of the agreed consideration, excluding VAT and taxes charged on behalf of third parties. All discounts granted are set off against revenue.

Production costs
Production costs comprise direct and indirect costs including depreciation and amortisation and wages and salaries incurred in generating the revenue for the year. Production costs also comprise research costs and any development costs not qualifying for capitalisation.

Amortisation of capitalised development costs is also recognised.

Selling and distribution costs
Selling and distribution costs comprise costs in relation to freight, sales staff, advertising, exhibitions and depreciation.

Administrative costs
Administrative expenses comprise expenses in relation to administrative staff, management, office premises, office expenses, depreciation and amortisation.

Other operating income and other operating expenses
Other operating income and other operating expenses comprise items of a secondary nature, e.g. gains and losses from disposal of property, plant and equipment.

Operating profit/(loss) before special items
Operating profit/(loss) before special items is a key figure for comparison with prior years.

Special items
Special items comprise significant non-recurring income and expenses of a special nature relative to the group's earnings-generating operating activities, such as the costs of extensive restructuring of processes and basic structural changes. Other significant amounts of a non-recurring nature are also recognised under the item, including impairment of property, plant and equipment, impairment of goodwill and gains and losses on the divestment of activities.

These items are presented separately in order to facilitate the comparability of the statement of comprehensive income and in order to provide a clearer presentation of operating profit. Special items are specified in a note to the financial statements.

Profit/loss from investments in associates in the consolidated financial statements
The proportionate share of the profit/loss from associates after tax and after elimination of the proportionate share of intra-group profit/loss is recognised in the consolidated statement of comprehensive income.

Dividend from investments in subsidiaries and associates in the parent company's financial statements
Dividend from investments in subsidiaries and associates is recognised in the parent company's profit/loss for the financial year in which it is declared.

Financial income and expenses
Financial income and expenses comprise interest, realised and unrealised foreign exchange adjustments, amortisation and surcharges and refunds under the on-account tax scheme. Also included are realised and unrealised gains and losses relating to derivative financial instruments that cannot be classified as hedging instruments.

Tax on profit/(loss) for the year
The group's Danish companies are jointly taxed with its principal shareholder, Thornico Holding A/S, and its Danish subsidiaries. The current Danish income tax liability is allocated among the companies of the tax pool in proportion to their taxable income (full allocation subject to reimbursement in respect of tax losses). Tax for the year, comprising current income tax for the year, joint taxation contributions for the year and changes in deferred tax for the year, including such changes as follow from changes in the tax rate, is recognised in profit/loss for the year, other comprehensive income or in equity, depending on where the item is recognised.

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STATEMENT OF CASH FLOWS

The statement of cash flows shows the group's cash flows from operating, investing and financing activities for the year, changes in cash and bank debt and the opening and closing cash and bank debt.

Cash flows from operating activities
Cash flows from operating activities are determined using the indirect method as operating profit/loss before special items adjusted for non-cash items, changes in working capital, interest paid and interest received, income taxes paid and restructuring costs paid.

Cash flows from investing activities
Cash flows from investing activities comprise payments in connection with acquisition and divestment of intangible assets and property, plant and equipment, dividend received from associates and subsidiaries and government grants received.

Cash flows from financing activities
Cash flows from financing activities comprise the raising and repayment of loans, changes in the amount or composition of the share capital including purchase and sale of treasury shares and related costs and dividend payments to shareholders.

Cash
Cash comprises cash and cash equivalents as well as current bank debt.

BALANCE SHEET

Goodwill
On initial recognition, goodwill is recognised in the balance sheet at cost. Goodwill is subsequently measured at cost less accumulated impairment. Goodwill is not amortised, but is tested at least once a year for impairment. See the section on impairment of non-current assets. The carrying amount of goodwill is allocated to the group's cash-generating units at the date of acquisition. The determination of cash-generating units is based on the management structure and internal financial controlling.

Other intangible assets
Other intangible assets are software, customer relations and trademarks.

Software is measured at cost less accumulated amortisation. Software is amortised using the straight-line method over its expected useful life, which is five years.

Customer relations acquired in connection with business combinations are measured at cost less accumulated amortisation. Customer relations are amortised using the straight-line method over the expected useful life, which is ten years.

Trademarks with an indefinite useful life and acquired in connection with business combinations are measured at cost. Trademarks with an indefinite useful life are not amortised but tested at least once a year for impairment. See the section on impairment of non-current assets.

Property, plant and equipment
Property, plant and equipment is measured at cost less accumulated depreciation and impairment. Cost comprises the purchase price and any costs directly attributable to the acquisition until the asset is available for use. The cost of self-constructed assets comprises costs related to wages and salaries, materials, components and sub-suppliers. Borrowing costs are not recognised if production periods are short. Where individual components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items, which are depreciated separately. Subsequent costs, e.g. for the replacement of components of property, plant and equipment, are recognised in the carrying amount of the asset when it is likely that the expenditure of the replacement involves future financial benefits to the group. The carrying amount of the replaced components is no longer recognised in the balance sheet, but is transferred to the profit/loss for the year. All other costs related to general repair and maintenance are recognised in profit/loss for the year as and when incurred. Property, plant and equipment is depreciated on a straight-line basis over the expected useful lives of the assets/components:

- Buildings and building parts, 10-25 years
- Technical plant and machinery, 3-25 years
- Operating equipment and fixtures, 5-10 years
- IT equipment including basic programs, 3-5 years

Land is not depreciated. The depreciation basis is determined taking into account the residual value and any impairment losses. The residual value is determined at the date of acquisition and is reassessed annually. If the residual value exceeds the carrying amount of the asset, depreciation will cease. If the depreciation period or the residual value is changed, the effect on depreciation going forward is recognised as a change in accounting estimates. Depreciation is recognised in the statement of comprehensive income as production costs, selling and distribution costs and administrative expenses, respectively. Gains or losses on the disposal of property, plant and equipment are stated as the difference between the selling price less selling costs and the carrying amount at the date of disposal. Gains or losses are recognised in the statement of comprehensive income in other operating income or in other operating expenses.

Notes

Investments in associates in the consolidated financial statements
Investments in associates are measured using the equity method. Investments in associates are measured in the balance sheet at the proportionate share of the companies' equity value calculated in accordance with the group's accounting policies with deduction or addition of the proportionate share of unrealised intra-group gains and losses plus the carrying amount of goodwill.

Investments in subsidiaries and associates in the parent company's financial statements
Investments in subsidiaries and associates are measured at cost. Where the cost is higher than the recoverable amount, the investments are written down to such lower value. In connection with reversal of impairment write-downs, the carrying amount is revalued at the recoverable amount, capped, however, at cost.

Impairment of non-current assets
Goodwill and other intangible assets with indefinite useful lives are tested for impairment annually, the first impairment test being performed prior to the expiry of the year of acquisition.

The carrying amount of goodwill is tested for impairment at least once a year together with the other non-current assets of the cash-generating unit to which goodwill has been allocated and is written down to the recoverable amount in profit for the year if the carrying amount is higher. Impairment losses on goodwill are not reversed. The recoverable amount is calculated as the net present value of expected future net cash flows from the enterprise or operation (cash generating unit) to which the goodwill is allocated.

Deferred tax assets are tested for impairment annually and are written down if it is deemed likely that the deferred tax asset cannot be utilised against tax on future income or set off against deferred tax liabilities in the same legal tax entity and jurisdiction. The assessment takes account of the type and nature of the recognised deferred tax asset, the estimated time frame for the set-off of the deferred tax asset etc.

The carrying amount of other non-current assets is tested annually for any indication of impairment. When there is an indication that an asset may be impaired, the recoverable amount of the asset is determined. The recoverable amount is the higher of the net selling price and the net present value of expected future net cash flows. An impairment loss is recognised when the carrying amount of an asset or its cash-generating unit exceeds the recoverable amount of the asset or its cash-generating unit. Impairment losses are recognised in profit/loss for the year. Impairment losses on other assets are reversed to the extent that changes have occurred in the assumptions and estimates used to determine impairment. Reversals of impairment are made only to the extent that the new carrying amount of the asset does not exceed the carrying amount it would have had net of depreciation or amortisation, had the write-down not been made.

Inventories
Inventories are measured at cost using the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value. Goods for resale, raw materials and consumables are measured at cost, comprising the purchase price plus delivery costs. Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct labour costs and production overheads. Production overheads comprise indirect materials and labour costs as well as maintenance and depreciation of production machinery, factory buildings and equipment and factory administration and management costs.

The net realisable value of inventories is determined as the selling price less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and developments in the expected selling price.

Current and non-current receivables
Receivables, including government grants receivable, are measured at amortised cost. If a receivable is deemed to be impaired, it is written down. Write-downs are made individually.

Prepayments
Prepayments, recognised in assets, include expenses paid in respect of subsequent financial years.

Equity
Dividend
The amount proposed in dividends for the year is stated as a separate item in equity. Proposed dividend is recognised as a liability at the time it is approved at the annual general meeting.

Treasury shares
Costs of acquisition and divestment and dividend received on treasury shares acquired by the parent company or the subsidiaries are recognised as retained earnings in equity.

Currency translation reserve
The translation reserve in the consolidated financial statements includes foreign exchange differences on the translation of the financial statements of foreign subsidiaries from their functional currency to the presentation currency of the group.

Notes

Hedging reserve
The hedging reserve contains the accumulated net change in fair value of hedging transactions that qualify as hedging of future cash flows and for which the hedged transaction has not yet been realised.

Pension obligations
Obligations relating to defined contribution plans, under which the group regularly pays fixed contributions into an independent pension fund, are recognised in profit/loss for the year in the period in which they are earned, and outstanding payments are recognised in the balance sheet under other payables.

For defined benefit plans, annual actuarial calculations are made of the present value of future benefits payable under the pension plan. The present value is calculated based on assumptions of the future developments in variables such as salary levels, interest, inflation and mortality rates. The present value is only calculated for benefits earned by the employees through their employment with the group to date. The actuarial present value less the fair value of any plan assets is recognised in the balance sheet under pension obligations. The pension costs for the year, based on actuarial estimates and financial forecasts at the beginning of the year, are recognised in profit/loss for the year. The difference between the forecast development in pension assets and liabilities and the realised values is called actuarial gains or losses and is recognised in the statement of comprehensive income via other comprehensive income. If a pension plan constitutes a net asset, the asset is recognised only insofar as it equals the value of future repayments under the plan or it leads to a reduction of future contributions to the plan.

Income tax and deferred tax
Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account. Joint taxation contributions payable and receivable are recognised as income tax in the balance sheet.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities. However, deferred tax on temporary differences relating to goodwill, which is not deductible for tax purposes and office buildings and other items, is not recognised where temporary differences – other than business acquisitions – arise at the date of acquisition without affecting either the profit/loss for the year or the taxable income. Where alternative tax rules can be applied to determine the tax base, deferred tax is measured on the basis of planned use of the asset as decided by management, or settlement of the liability, respectively. Deferred tax assets, including the tax base of tax loss carry-forwards, are recognised under other non-current assets at the expected value of their utilisation, either as a set-off against tax on future earnings or as a set-off against deferred tax liabilities within the same legal tax entity and jurisdiction. Adjustment is made to deferred tax relating to eliminations made of unrealised intra-group profits and losses. Deferred tax is measured according to the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Provisions
Provisions are recognised when, as a result of events occurring before or at the balance sheet date, the group incurs a legal or constructive obligation and it is probable that there may be an outflow of financial resources to settle the obligation. Provisions are measured at management's best estimate of the amount required to settle the obligation at the balance sheet date.

Warranty commitments are recognised when goods and services are sold on the basis of warranty costs incurred in prior financial years.

Restructuring costs are recognised as liabilities when a detailed, formal restructuring plan has been announced not later than at the balance sheet date to the parties affected by the plan.

Financial liabilities
Financial liabilities comprise debt to credit institutions, trade creditors, payables to subsidiaries and associates and other debt.

Debt to credit institutions is recognised at the date of borrowing at the net proceeds received less transaction costs paid. In subsequent periods, debt to credit institutions is measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between the proceeds and the nominal value (capital loss) is recognised in profit/loss for the year over the term of the loan.

Other liabilities are measured at the net realisable value.

Government grants
Government grants relating to property, plant and equipment are recognised in the balance sheet under liabilities. The grants are recognised in profit/loss for the year over the useful lives of the assets.

Notes

SEGMENT INFORMATION

The reporting of business segments is in accordance with the internal reporting to the Executive Board and the Board of Directors.

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

The internal management reporting complies with the group's accounting policies.

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 segment on a reliable basis. Profit/losses 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
- Americas

DEFINITIONS OF FINANCIAL RATIOS

The financial ratios are calculated in accordance with 'Recommendations & Ratios, 2015', issued by the Danish Finance Society.

Invested capital
Net working capital + intangible assets + property, plant and equipment + other non-current receivables - government grants

Net working capital
Inventories + receivables + other current operating assets - pension obligations - trade payables - other current operating liabilities (excluding restructuring)

Net interest-bearing debt
Credit institutions + overdraft facilities - cash

Profit margin

$$\frac{\text{Operating profit before special items} \times 100}{\text{Revenue}}$$

Return on invested capital (ROIC)

$$\frac{\text{Operating profit before special items} \times 100}{\text{Average invested capital}}$$

Return on equity

$$\frac{\text{Profit for the year} \times 100}{\text{Average equity}}$$

Equity ratio

$$\frac{\text{Equity at year-end} \times 100}{\text{Assets, year-end}}$$

Gearing

$$\frac{\text{Interest-bearing debt, net} \times 100}{\text{Equity, year-end}}$$

Earnings per share (EPS)

$$\frac{\text{Profit for the year}}{\text{Average no. of shares}}$$

The calculation of diluted EPS is adjusted for outstanding share options.

Book value per share

$$\frac{\text{Equity, year-end}}{\text{No. of shares (excluding treasury shares), year-end}}$$

Price/earnings

$$\frac{\text{Market price}}{\text{Earnings per share}}$$

Payout ratio

$$\frac{\text{Total dividend paid} \times 100}{\text{Profit for the year}}$$

Cash flow per share

$$\frac{\text{Cash flows from operating activities}}{\text{Average no. of shares (excluding treasury shares)}}$$

Management statement

The Board of Directors and the Executive Board today considered and approved the annual report of Brødrene Hartmann A/S for the financial year ended 31 December 2015.

The annual report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31 December 2015 and of the results of the group's and the parent company's operations and cash flows for the financial year ended 31 December 2015.

We are of the opinion that the management report includes a fair review of the development and performance of the group's and the parent company's business and financial position, the results for the year, cash flows and financial position together with a description of the principal risks and uncertainties that the group and the parent company face.

The annual report is recommended for approval by the annual general meeting.

Gentofte, 8 March 2016

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

Independent auditor's report

TO THE SHAREHOLDERS OF BRØDRENE HARTMANN A/S

Report on the consolidated financial statements and parent company financial statements

We have audited the consolidated financial statements and parent company financial statements of Brødrene Hartmann A/S for the financial year 01.01.2015 - 31.12.2015, which comprise the statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes, including the accounting policies, for the group as well as for the parent company. The consolidated financial statements and parent company financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Management's responsibility for the consolidated financial statements and parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies and for such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the consolidated financial statements and parent company financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements and parent company financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent company financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the consolidated financial statements and parent company financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the consolidated financial statements and parent company financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's financial position at 31.12.2015, and of the results of their operations and cash flows for the financial year 01.01.2015 - 31.12.2015 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

Statement on the management report

Pursuant to the Danish Financial Statements Act, we have read the management report. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent company financial statements.

On this basis, it is our opinion that the information provided in the management report is consistent with the consolidated financial statements and parent company financial statements.

Copenhagen, 8 March 2016

Deloitte
Statsautoriseret Revisionspartnerselskab
Central Business Registration No 33 96 35 56

Martin Faarborg State-Authorised Public Accountant	Kim Mücke State-Authorised Public Accountant

Hartmann at a glance

Hartmann is the world's leading manufacturer of moulded-fibre egg packaging, market leader in the production of fruit packaging in South America and one of the world's largest manufacturers of machinery for producing moulded-fibre packaging. Founded in 1917, Hartmann's market position is based on its strong technology know-how and extensive experience of moulded-fibre production since 1936.

Sustainability
Sustainability and environmental considerations are integral elements of Hartmann's business model and strategy. All Hartmann's products are based on recycled paper, which is a renewable, CO_2-neutral and bio-degradable 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 main markets are Europe, South America and North America, where Hartmann has strong market positions. Hartmann has market leading positions in Europe and in South America, where the product portfolio also includes fruit packaging. Hartmann has a small, but growing share of the North American market. Hartmann's technology, including machinery and services, is also sold globally outside its main markets.

Customers
Hartmann sells egg and fruit packaging to manufacturers, distributors and retail chains that are increasingly seeking Hartmann's marketing expertise. Hartmann's technology and related services are sold to manufacturers of moulded-fibre packaging.

Organisation
Headquartered in Gentofte, Denmark, Hartmann has 2,100 employees. Production takes place at Hartmann's own factories, of which four are located in Europe, one in Israel, four in South America and one in Canada.

The Hartmann share
Hartmann's shares have been listed on Nasdaq Copenhagen since 1982. There is one class of shares, and each share carries one vote. Interested parties can receive financial reports and company announcements by subscribing to Hartmann's news service at investor.hartmann-packaging.com.

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Company reg. (CVR) no. 63 04 96 11

This annual report was released in Danish and English through Nasdaq Copenhagen as company announcement no. 5/2016. In case of discrepancies between the two versions, or in case of doubt, the Danish version prevails.