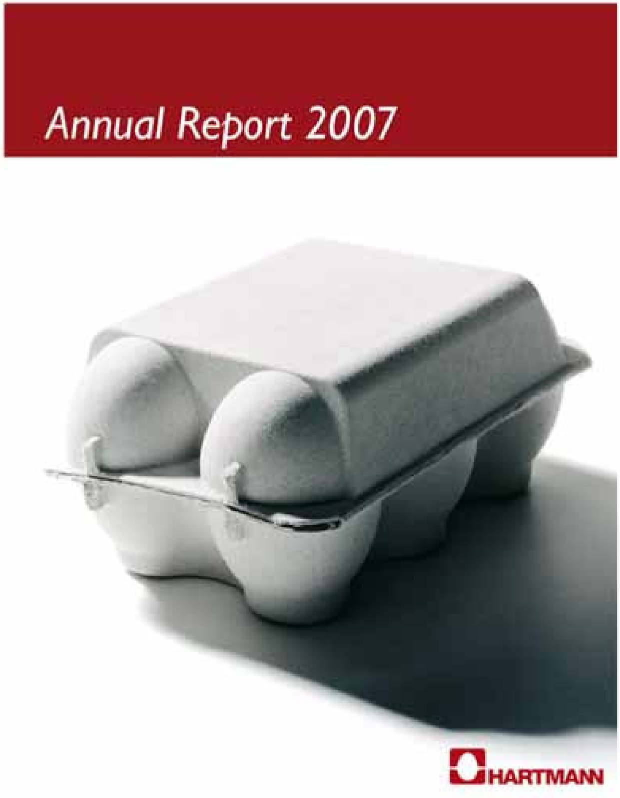
Annual Report 2007

Investor presentation 14 March 2008

Peter A. Poulsen, CEO and Tom Wrensted, CFO

Protecting values | HARTMANN

1. Group developments 2007
2. Financial review 2007
3. Strategy 2008-2010
4. Outlook for 2008
5. Q&A



Consolidated earnings influenced by non-recurring items

- **Unsatisfactory** net loss for the year amounted to DKK -513 million
- Several **non-recurring costs** and **impairment**
- **Normalised EBIT** amounted to DKK 53 million against DKK 17 million in 2006
- Normalised EBIT in **Q4** amounted to DKK 32 million against DKK -9 million in Q4 2006
- **Capital increase** to ensure future development

Exclusive of several non-recurring items consolidated earnings were on par with expectations

(DKKm)	**Actual 2007**	**Expected 2007***
Revenue	1,492	1,500
Operating profit/(loss) (EBIT)	-146	40-50
Non-recurring items	199	
Operating profit (EBIT) adjusted for non-recurring items	53	40-50

Impairment of assets in NA:	115
Impairment of assets in Asia:	49
Non-recurring costs, reorganisation efforts:	35
Total non-recurring items:	**199**

* *As announced in the Annual Report 2006*

To turn around the development trend, we have:

- Carried out a partial global pullback
- Adjusted the organisation and reduced costs
- Shifted focus to earnings rather than growth

FORWARD
TO BASICS

The new Hartmann in Europe and North America

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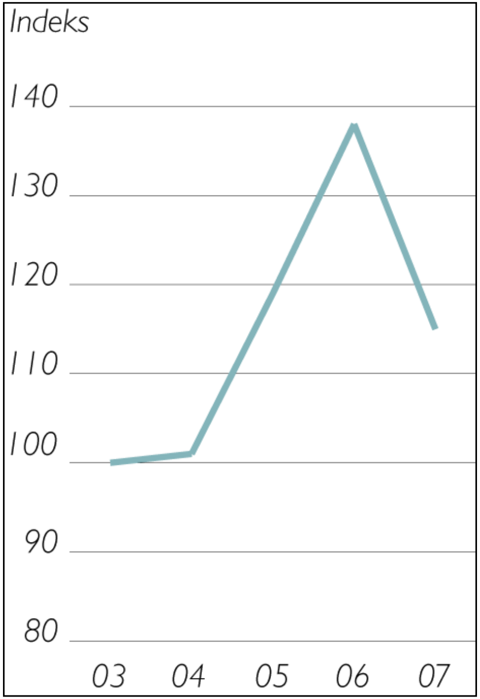
FORWARD
TO BASICS

- Not all products and customer relationships make a positive contribution to consolidated earnings

- Products and customers making the lowest earnings contribution are now being phased out

Product variants



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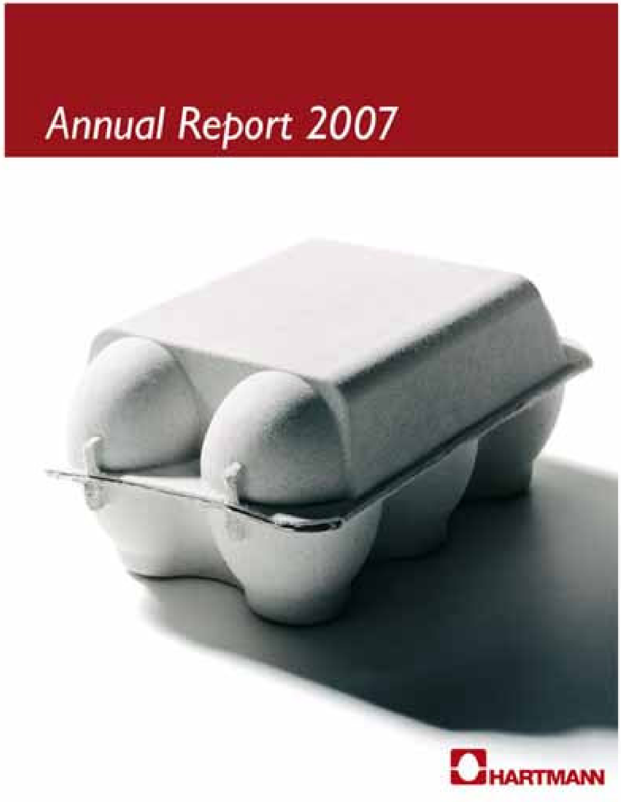


2007 not satisfactory and influenced by non-recurring items

(DKKm)	2007	2006
Revenue	1,492	1,475
Operating profit/(loss), EBIT	-146	62
Financial income and expense, net	-52	-20
Tax on the profit for the year	-74	-4
Profit/(loss) for the year from continuing operations	**-271**	**38**
Profit/(loss) for the year from discontinued operations	-242	-115
Net profit/(loss) for the year (EAT)	**-513**	**-77**

Financial income and expense:

- Foreign exchange loss of DKK 14 million - hereof reclassification of DKK 9 million (currency adjustment on equity-like loans)

Tax:

- Impairment of tax asset in North America of DKK 48 million
- Impairment of tax asset in Asia of DKK 14 million

Discontinued operations:

- Reclassification of foreign exchange loss in South America of DKK 191 million
- Effect of the sale of DKK 51 million

Decline in operating result, but strong Q4

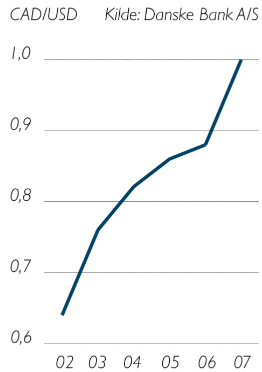
(DKKm)	**Q4 2007**	**2007**	**Q4 2006**	**2006**
Revenue	286	1,043	283	1,037
Operating result, EBIT	17	64	9	78
Normalised EBIT	23	69	14	83

- Rising **prices of energy and paper**
- **Portfolio trimming** leads to **volume adjustment**
- Continued growth in the demand for **high-value products**

Unsatisfactory operating result, but Q4 loss halved

(DKKm)	Q4 2007	2007	Q4 2006	2006
Revenue	38	147	36	153
Operating result, EBIT	-7	-144	-13	-46
Normalised EBIT	-7	-28	-13	-44

- Unfavorable **cross rate** CAD/USD
- **Automation** reduced productivity temporarily
- Continued improvements in **production**
- Strong market for **sustainable packaging**



Improvement in earnings after allowing for non-recurring items

(DKKm)	**Q4 2007**	**2007**	**Q4 2006**	**2006**
Revenue	63	220	55	203
Operating result, EBIT	23	-16	5	9
Normalised EBIT	18	40	5	9

- Comprehensive **reorganisation**
- Trimming of **product portfolio**
- Increased productivity and growth in **European sales**
- Strong growth in the operating result for **Q4**

Cash flows

(DKKm)	2007	2006
Cash flows from operating activities	56	39
- hereof change in working capital	*6*	*-6*
Cash flows from investing activities	-142	11
- hereof non-recurring items	*-*	*115*
Cash flows from financing activities	74	-70
- hereof repayment of non-current loans	*-26*	*-59*
Cash flows from discontinued operations	-65	-3
Total cash flows	**-76**	**-22**

Specification of cash 2007

(DKKm)	
Applied cash	
Investments	-142
Discontinued operations	-65
Repayment of non-current loan	-26
Total	**-233**

(DKKm)	
Raised cash	
Operating activity	56
New non-current loan	100
Cash and cash equivalents	19
Current loan	58
Total	**233**

Balance sheet

(DKKm)	**2007**	**2006**
Total assets	1,220	1,438
Total equity	220	544
Net-interest-bearing debt incl. South America	592	431
Net working capital (NWC)	112	144
Invested capital (IC)	810	979

- Assets influenced by impairment of assets in North America and Asia
- Equity reduced as a consequence of impairment of assets in North America and Asia, and the effect of the sale of the South American activities
- Net-interest-bearing debt influenced by cash flows from investing activities and cash flows from discontinued operations

Key figures

	2007	2006
Operating margin before tax and writing-off (EBITDA)	7.6	11.0
- *adjusted for non-recurring items*	*10.5*	*7.9*
Profit margin (EBIT)	-9.8	4.2
- *adjusted for non-recurring items*	3.6	*1.2*
Return on average invested capital (ROIC)	-16.3	6.2
- *adjusted for non-recurring items*	*5.9*	*1.7*
Gearing *(incl. net-interest-bearing debt in South America)*	268.7	79.2
Solvency ratio *(incl. capital injection of DKK 50 million in subordinated loan)*	22.1	37.9

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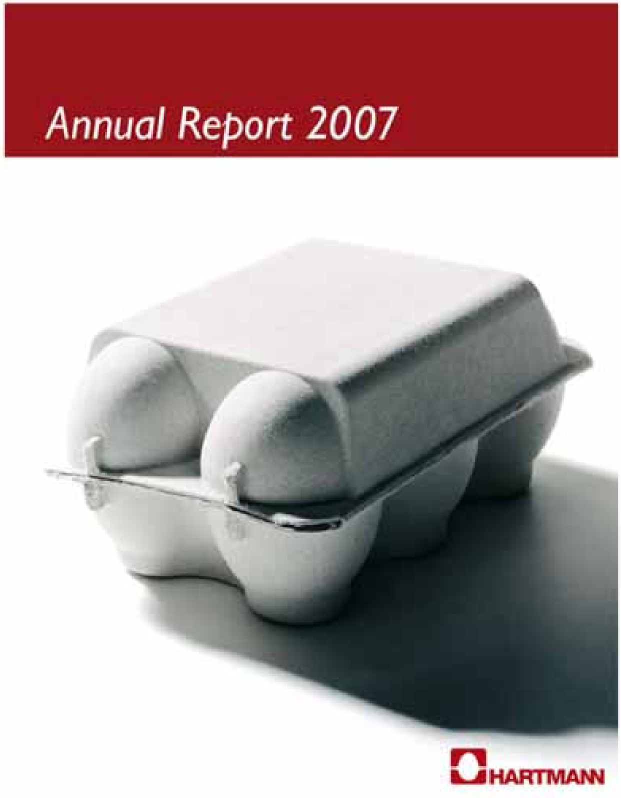

Capital increase to ensure future development

- Planning of capital increase in 2008 involving preemptive rights for existing shareholders
- Possible to merge the three share classes in the Group in connection with the capital increase

We will restore an attractive earnings level

- Optimisation of the business in Europe by reducing unit costs
- Adjustment of the activity level in Industrial Packaging
- Higher sales and improved utilisation of capacity in North America

Outlook for 2008

(DKKm)	**Expected 2008**	**Actual 2007**
Revenue	Approx 1,460	1,492
Operating profit/(loss), EBIT	Approx 70	-146
Operating profit/(loss), EBIT, normalised		53
Net profit/(loss), EAT	Approx 20	-513

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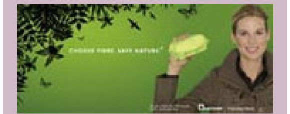

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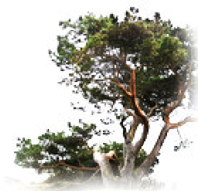

Egg packaging

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For investors

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