HARTMANN

INTERIM REPORT Q3 2016

Contents

Highlights

Revenue and operating profit declined in the third quarter of 2016 relative to Q3 2015. The Q3 2016 performance was favourably affected by efficiency-improving measures in Europe, where we have subsequently accelerated the expansion of production capacity in order to accommodate growing demand. European retail packaging volumes were flat due to full capacity utilisation, while total packaging volumes were slightly down as a result of temporary volatility in North America and macroeconomic developments in South America. The capacity expansion programme in the Americas is proceeding according to plan. Full-year 2016 guidance is maintained.

CEO Ulrik Kolding Hartvig: "Our packaging volumes were slightly down in the third quarter, but we maintain our full-year guidance for 2016 and remain confident about our long-term prospects. European demand is growing and we are expanding capacity at several factories to be able to share in the expected market growth from 2017, building on the efficiency-improving measures that have already helped bolster our 2016 earnings. Our ongoing capacity expansion exercise in the Americas is driven by underlying demographic and social trends that are not affected by temporary market volatility in North America or macroeconomic developments in South America."

Q3 2016

- Revenue totalled DKK 482 million (2015: DKK 508 million), and operating profit* came to DKK 47 million (2015: DKK 52 million), corresponding to a profit margin* of 9.7% (2015: 10.2%).

- Our European business reported revenue of DKK 282 million (2015: DKK 292 million), while operating profit came to DKK 30 million (2015: DKK 25 million), corresponding to a profit margin of 10.6% (2015: 8.5%). Retail packaging volumes were flat, impacted by full capacity utilisation, and revenue also reflected lower average selling prices. The higher operating profit was caused by efficiency improvements and lower energy costs.

- Revenue from the Americas totalled DKK 200 million (2015: DKK 216 million), and operating profit came to DKK 29 million (2015: DKK 33 million), corresponding to a profit margin of 14.4% (2015: 15.2%). The performance was adversely affected by lower packaging volumes and higher production costs.

- Cash flows from operating activities were a net inflow of DKK 30 million (2015: DKK 39 million).

9M 2016

- Revenue totalled DKK 1,573 million (2015: DKK 1,570 million), and operating profit came to DKK 190 million (2015: DKK 156 million), corresponding to a profit margin of 12.0% (2015: 9.9%).

- The European business grew revenue to DKK 945 million (2015: DKK 900 million) and operating profit to DKK 114 million (2015: DKK 69 million), realising a profit margin of 12.0% (2015: 7.7%).

- Revenue from the Americas was DKK 629 million (2015: DKK 670 million), and operating profit came to DKK 103 million (2015: DKK 105 million), corresponding to a profit margin of 16.3% (2015: 15.7%).

- Cash flows from operating activities were a net inflow of DKK 167 million (2015: DKK 156 million), and the return on invested capital grew to 24% (2015: 23%).

Currency movements partly offset by inflation

- Currency fluctuations reduced revenue by DKK 19 million in the third quarter and by DKK 113 million in the first nine months of 2016, while trimming DKK 1 million and DKK 9 million off operating profit for the third quarter and the first nine months of 2016, respectively. Primarily related to the activities in South America, the currency effects were largely neutralised by inflation-induced price increases.

Outlook for 2016

- We maintain our full-year guidance of revenue in the DKK 2.1-2.2 billion range and a profit margin of 11-12.5%.

- Our total capital expenditure in 2016 is currently estimated at DKK 300-325 million, against the previous forecast of DKK 350 million.

* For purposes of this report, operating profit refers to operating profit before special items, and profit margin refers to profit margin before special items, unless otherwise stated.

Key figures and financial ratios

DKKm

Group	Q3 2016	Q3 2015	9M 2016	9M 2015
Statement of comprehensive income				
Revenue	482	508	1,573	1,570
Operating profit/(loss)	47	52	190	156
Special items	0	(84)	0	(97)
Financial income and expenses, net	(1)	(13)	(15)	(24)
Profit/(loss) before tax	46	45	174	35
Profit/(loss) for the period	35	(35)	131	30
Comprehensive income	24	(115)	175	(49)
Cash flows				
Cash flows from operating activities	30	39	167	156
Cash flows from investing activities	(82)	(39)	(227)	(426)
Cash flows from financing activities	(1)	(5)	(24)	321
Total cash flows	(54)	(6)	(84)	51
Balance sheet				
Assets	-	-	1,842	1,683
Investments in property, plant and equipment	82	39	227	99
Net working capital	-	-	259	279
Invested capital	-	-	1,252	1,020
Interest-bearing debt	-	-	612	497
Equity	-	-	707	548
Financial ratios, %				
Profit margin	9.7	10.2	12.0	9.9
Return on average invested capital (ROIC, rolling 12 months)	-	-	23.7	23.2
Return on equity (rolling 12 months)	-	-	32.0	12.5
Equity ratio	-	-	38.4	32.6
Gearing	-	-	86.6	90.7
Share-based financial ratios				
No. of shares (excluding treasury shares)	-	-	6,915,090	6,915,090
Earnings per share, DKK (EPS)	5.0	(5.1)	18.9	4.3
Cash flows per share, DKK	4.3	5.6	24.2	22.6
Book value per share, DKK	-	-	102.2	79.2
Market price per share, DKK	-	-	310.0	241.0
Market price/book value per share	-	-	3.0	3.0
Price/earnings (rolling 12 months)	-	-	10.1	20.1

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

Developments in Q3 2016

Revenue fell back in the third quarter, impacted by lower average selling prices in Europe and weakening sales volumes in the Americas amid temporary volatility in North America and macroeconomic developments in South America. Lower revenue and costs incurred in connection with organisational adjustments and the ongoing establishment of new factories in the Americas reduced operating profit.

The European business operated at full capacity in the third quarter, and we have subsequently stepped up the expansion of production capacity in order to accommodate growing demand. Following the transfer of production in connection with the closing down of the German factory in the second quarter, additional capacity-expansion measures have been initiated at the remaining European factories in the third quarter. These measures are expected to be fully implemented by end-2017. The European expansion initiatives were kicked off against the backdrop of successful efficiency-improving measures and the conclusion of a new local agreement with the employees at the Danish factory.

In North America, Q3 packaging volumes were adversely affected by persistent volatility in the wake of an outbreak of bird flu in 2015, which caused significant fluctuations in the number of laying hens and the supply of eggs. Temporary excess supply of eggs has translated into higher wholesale packaging volumes and lower sales of Hartmann's retail packaging products. This situation is temporary and has not affected Hartmann's long-term demand forecasts for North America. The setback in South American packaging volumes was driven primarily by macroeconomic trends and resulting lower fruit exports, whereas the region's demographic trends remain favourable.

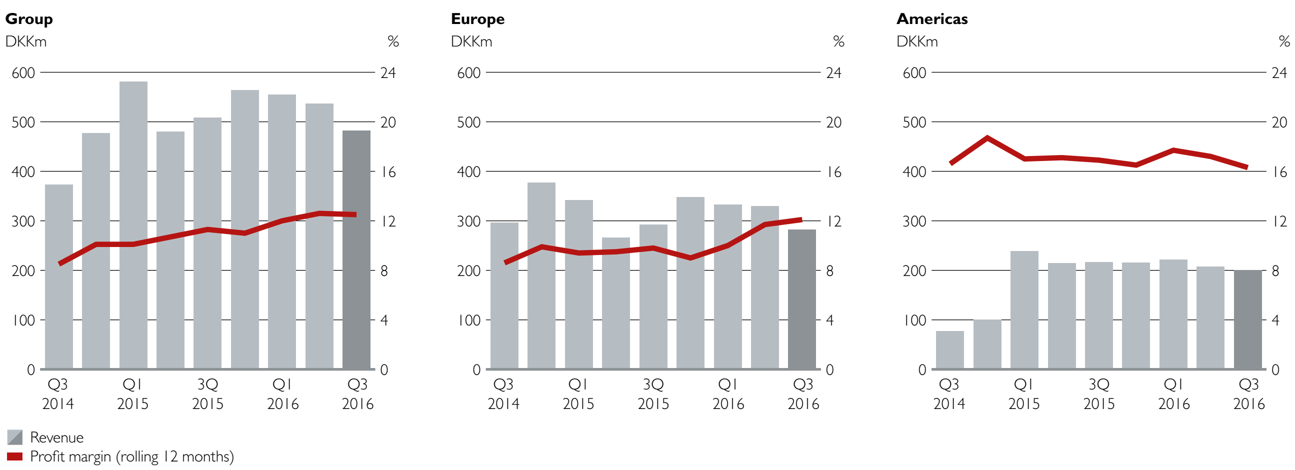
Currency fluctuations reduced revenue by DKK 19 million in the third quarter and by DKK 113 million in the first nine months of 2016, while trimming DKK 1 million and DKK 9 million off operating profit for the third quarter and the first nine months of 2016, respectively. Primarily related to the activities in South America, the currency effects were largely neutralised by inflation-induced price increases.

Based on the Western High Court's reopening of the pending case concerning the collection of Hartmann's DKK 39 million receivable from district heating company Tønder Fjernvarmeselskab, the heating company raised a counterclaim in the amount of DKK 88 million on 24 August 2016. As announced in company announcement no. 12/2016 released on 24 August, management believes, based on an internal review of the matter and indications from external advisers, that the counterclaim has no statutory authority and that there are no other grounds for pursuing such a claim against Hartmann. Against this background, the claim against Tønder Fjernvarmeselskab is still recognised with no deduction made for the counterclaim.

STATEMENT OF COMPREHENSIVE INCOME

Revenue
In Q3 2016, we generated total revenue of DKK 482 million (2015: DKK 508 million), and revenue for the first nine months of 2016 was DKK 1,573 million (2015: DKK 1,570 million).

Revenue and profit margin



Europe
Our European business reported revenue of DKK 282 million (2015: DKK 292 million) for the third quarter based on flat egg packaging volumes as a result of a continued high level of capacity utilisation at our factories. Lower average selling prices were also reflected in the performance, which was further impacted by lower revenue from Hartmann Technology.

Revenue for the first nine months of the year grew to DKK 945 million (2015: DKK 900 million) thanks to brisk activity in Hartmann Technology in the second quarter.

Americas
Revenue from the Americas totalled DKK 200 million (2015: DKK 216 million) in the third quarter. The decline was attributable to lower volumes of egg and fruit packaging than in the same period of last year.

In North America, egg packaging volumes were adversely impacted by market volatility, and revenue was down compared with the same period of last year.

In South America, revenue weakened in the third quarter due to macroeconomic developments and lower fruit exports from Argentina, which weighed on fruit packaging volumes.

In the first nine months of 2016, revenue from the Americas totalled DKK 629 million (2015: DKK 670 million).

Operating profit
Operating profit was DKK 47 million for Q3 2016 (2015: DKK 52 million), corresponding to a profit margin of 9.7% (2015: 10.2%). In the first nine months of 2016, operating profit grew to DKK 190 million (2015: DKK 156 million), bringing the profit margin to 12.0% (2015: 9.9%).

Europe
The European business grew operating profit to DKK 30 million in Q3 2016 (2015: DKK 25 million), realising a profit margin of 10.6% (2015: 8.5%). Growth was driven by a continued high level of capacity utilisation, coupled with efficiency improvements and lower energy costs, which outweighed the negative impact of lower average selling prices and higher paper prices.

In the first nine months of 2016, operating profit grew to DKK 114 million (2015: DKK 69 million), corresponding to a profit margin of 12.0% (2015: 7.7%). Growth was driven mainly by the high level of activity in Hartmann Technology in the second quarter and efficiency improvements.

Americas
Operating profit from our operations in the Americas amounted to DKK 29 million in Q3 2016 (2015: DKK 33 million), corresponding to a profit margin of 14.4% (2015: 15.2%).

Operating profit from the North American business was adversely affected by lower revenue and higher fixed costs, which were largely attributable to the establishment of the factory in the US. These negative influences were partly offset by productivity gains and successful energy-saving measures.

Our South American activities reported lower operating profit due to macroeconomic developments and declining revenue from sales of fruit packaging.

For the first nine months of 2016, operating profit from our business in the Americas came to DKK 103 million (2015: DKK 105 million), corresponding to a profit margin of 16.3% (2015: 15.7%).

Corporate functions
Costs related to corporate functions totalled DKK 9 million for the third quarter (2015: DKK 6 million) and DKK 24 million for the first nine months of 2016 (2015: DKK 19 million). The increase can be attributed to higher payroll and consultancy costs.

Special items
Special items amounted to DKK 0 million for the third quarter (2015: net expense of DKK 84 million) and DKK 0 million for the first nine months of 2016 (2015: net expense of DKK 97 million). The corresponding periods of 2015 were affected by impairment losses and other costs associated with the closing down of our factory in Germany and organisational adjustments at the European factories and at our head office.

Financial income and expenses
Financial income and expenses were a net expense of DKK 1 million for Q3 2016 (2015: net expense of DKK 13 million) and a net expense of DKK 15 million for the first nine months of 2016 (2015: net expense of DKK 24 million). These variations were due to foreign exchange adjustments.

Profit for the period
The profit for Q3 2016 was DKK 35 million (2015: loss of DKK 35 million), bringing the profit for the first nine months of 2016 to DKK 131 million (2015: DKK 30 million). Tax on the profit was an expense of DKK 12 million for Q3 2016 (2015: income of DKK 9 million) and an expense of DKK 44 million for the first nine months of 2016 (2015: expense of DKK 5 million).

Comprehensive income

Comprehensive income was DKK 24 million for Q3 2016 (2015: negative at DKK 115 million) and DKK 175 million for the first nine months of 2016 (2015: negative at DKK 49 million). The improvement can be attributed to higher profits coupled with significant exchange rate adjustments of foreign subsidiaries in the same periods of 2015.

CASH FLOWS

Cash flows from operating activities amounted to a net inflow of DKK 30 million for Q3 2016 (2015: net inflow of DKK 39 million). The decrease was due to payment of restructuring costs associated with the shutdown of production in Germany. For the first nine months of 2016, cash flows from operating activities amounted to a net inflow of DKK 167 million (2015: DKK 156 million).

Due to additional production expansion investments in the Americas and Europe, cash flows from investing activities amounted to a net outflow of DKK 82 million in Q3 2016 (2015: net outflow of DKK 39 million). In the first nine months of 2016, cash flows from investing activities amounted to a net outflow of DKK 227 million (2015: net outflow of DKK 426 million).

Cash flows from operating and investing activities thus amounted to a net outflow of DKK 53 million for Q3 2016 (2015: net outflow of DKK 1 million) and a net outflow of DKK 60 million for the first nine months of 2016 (2015: net outflow of DKK 270 million).

Cash flows from financing activities amounted to a net outflow of DKK 1 million for Q3 2016 (2015: net outflow of DKK 5 million) and a net outflow of DKK 24 million for the first nine months of 2016 (2015: net inflow of DKK 321 million). Movements in the first nine months of the year were ascribable to the refinancing of the group's debt and the raising of non-current debt in Q1 2015.

BALANCE SHEET

ROIC

Return on invested capital (ROIC) rose to 24% at 30 September 2016 (2015: 23%).

Capital resources

The group's net interest-bearing debt at 30 September 2016 was DKK 612 million (2015: DKK 497 million). The increase was due to additional investments to expand production in the Americas and Europe.

The financial gearing at 30 September 2016 was 87% (2015: 91%). Financial resources amounted to DKK 341 million at 30 September 2016, comprising cash and cash equivalents and undrawn loan and overdraft facilities. Hartmann's loans are subject to customary financial covenants. See note 33 to the financial statements in our annual report for 2015 for more details.

Equity

Equity at 30 September 2016 was DKK 707 million (2015: DKK 548 million), and the equity ratio rose to 38% (2015: 33%).

THE HARTMANN SHARE

The official market price of the Hartmann share was DKK 310.0 at 30 September 2016, up from DKK 271.0 at 31 December 2015. Our share price performance is shown at investor.hartmann-packaging.com.

EVENTS AFTER THE BALANCE SHEET DATE

No events have occurred in the period from the balance sheet date until the date of release of this interim report that would materially affect the evaluation of the interim report.

Outlook

Based on developments in our core business, Hartmann Technology's strong machinery sales in the first nine months of 2016 and realised and anticipated effects of our efficiency-enhancing measures in Europe, we maintain our full-year 2016 guidance of revenue in the range of DKK 2.1-2.2 billion and a profit margin of 11-12.5%. The ongoing expansion of production capacity and operating costs associated with a new test centre are also factored into our guidance.

Our total capital expenditure in 2016 is estimated at DKK 300-325 million, against the previous forecast of DKK 350 million. Planned investments comprise measures to improve efficiency in Europe and the ongoing expansion of production capacity.

Assumptions
Hartmann's revenue and profit margin guidance for 2016 reflects the expansion of our production network in South America resulting from the two factories scheduled for commissioning by end-2016. Any deviations from these assumptions may affect our 2016 performance. Due to seasonal fluctuations, our operating profit is generally higher in the first and fourth quarters than in 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 interim report reflect our current expectations for future events and financial results. The statements are inherently subject to uncertainty, and actual results may therefore differ from expectations. Factors which may cause the actual results to deviate from expectations include 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 in this interim report and note 33 to the financial statements in our annual report for 2015.

Risk factors

For a full description of Hartmann's risk factors, see the section on risk factors and note 33 to the financial statements in our annual report for 2015.

Raw materials
Hartmann is exposed to changes in purchase prices of the raw materials used in our production. In particular, we are 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 six 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 strive to reduce our sensitivity to fluctuations in raw materials prices through continuous implementation of technological improvements and optimisation of work processes.

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

Hartmann is exposed to transaction risks due to cross-border transactions leading to contractual cash flows in foreign currency. The USD/CAD exchange rate exposure constitutes one of the group's single largest transaction risks. The exposure results from the main part of sales generated in the North American business being invoiced in USD, while costs are mainly incurred in CAD. Other significant transaction risks relate to the currencies CHF, EUR, GBP, HRK, HUF and PLN.

Due to our foreign subsidiaries, Hartmann is exposed to translation risks insofar as a part of the group's earnings and net assets relates to 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.

Hartmann hedges its transaction risks to the effect that primary currencies are continuously hedged for a period of not less than nine and not more than 12 months. Translation risks are not hedged as they have no direct impact on Hartmann's cash resources or underlying cash flows.

Management statement

Today, the Board of Directors and the Executive Board have considered and approved the interim report of Brødrene Hartmann A/S for the nine months ended 30 September 2016.

The interim report, which has been neither audited nor reviewed by the company's auditors, was prepared in accordance with IAS 34 'Interim financial reporting' as adopted by the EU and Danish disclosure requirements for interim reports of listed companies.

In our opinion, the interim financial statements give a true and fair view of the group's assets and liabilities and financial position at 30 September 2016 and of the results of the group's operations and cash flows for the nine months ended 30 September 2016.

Furthermore, in our opinion, the management report includes a fair review of the development of the group's activities and financial affairs, the results for the period and the financial position in general of the consolidated companies as well as a description of the principal risks and uncertainties that the group faces.

Gentofte, 9 November 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		

INTERIM FINANCIAL STATEMENTS

Interim financial statements

Statement of comprehensive income

DKKm

Group	Q3 2016	Q3 2015	9M 2016	9M 2015
Revenue	481.9	508.4	1,573.3	1,569.8
Production costs	(329.1)	(345.9)	(1,063.4)	(1,074.4)
Gross profit/(loss)	**152.8**	**162.5**	**509.9**	**495.4**
Selling and distribution costs	(77.1)	(90.7)	(240.2)	(273.4)
Administrative expenses	(29.1)	(20.7)	(80.1)	(67.1)
Other operating income	0.1	0.7	0.2	0.8
Other operating expenses	0.0	0.0	(0.3)	(0.1)
Operating profit/(loss) before special items	**46.7**	**51.8**	**189.5**	**155.6**
Special items, see note 4	0.0	(83.7)	0.0	(97.2)
Operating profit/(loss)	**46.7**	**(31.9)**	**189.5**	**58.4**
Financial income	3.7	(1.0)	4.7	3.5
Financial expenses	(4.3)	(11.7)	(20.0)	(27.1)
Profit/(loss) before tax	**46.1**	**(44.6)**	**174.2**	**34.8**
Tax on profit/(loss) for the period	(11.5)	9.2	(43.6)	(5.1)
PROFIT/(LOSS) FOR THE PERIOD	34.6	(35.4)	130.6	29.7
Items that can be reclassified to profit or loss:				
Foreign exchange adjustment of:				
Foreign subsidiaries	(8.3)	(79.0)	34.1	(81.6)
Equity-like loans to subsidiaries	0.0	1.6	0.0	4.0
Value adjustment of hedging instruments:				
Recognised in other comprehensive income	3.1	(5.1)	22.8	(16.1)
Transferred to revenue	(5.9)	1.7	(7.9)	13.8
Transferred to production costs	(0.7)	(0.2)	(1.2)	(0.4)
Transferred to financial income and expenses	0.0	0.3	0.0	2.0
Tax	0.8	0.7	(3.5)	(0.4)
Other comprehensive income after tax	**(11.0)**	**(80.0)**	**44.3**	**(78.7)**
COMPREHENSIVE INCOME	23.6	(115.4)	174.9	(49.0)
Earnings per share, DKK	4.3	(5.1)	18.9	4.3
Earnings per share, DKK, diluted	4.3	(5.1)	18.9	4.3

Statement of cash flows

DKKm

Group	Q3 2016	Q3 2015	9M 2016	9M 2015
Operating profit/(loss) before special items	46.7	51.8	189.5	155.6
Depreciation and amortisation	27.2	23.2	72.3	71.3
Adjustment for other non-cash items	0.1	(0.7)	0.2	(0.7)
Change in working capital etc.	(7.3)	(26.3)	(0.2)	(36.7)
Restructuring costs etc. paid	(30.6)	(3.5)	(63.7)	(8.1)
Cash generated from operations	**36.1**	**44.5**	**198.1**	**181.4**
Interest etc. received	(1.2)	2.6	1.9	7.5
Interest etc. paid	(2.5)	(11.0)	(23.0)	(25.4)
Net income tax received/paid	(2.9)	2.4	(9.9)	(7.3)
Cash flows from operating activities	**29.5**	**38.5**	**167.1**	**156.2**
Disposal of property, plant and equipment	0.1	0.1	0.3	0.4
Acquisition of property, plant and equipment	(82.4)	(39.2)	(227.1)	(99.3)
Government grants repaid	0.0	(0.3)	0.0	(0.3)
Acquisition of subsidiaries	0.0	0.0	0.0	(327.1)
Cash flows from investing activities	**(82.3)**	**(39.4)**	**(226.8)**	**(426.3)**
Cash flows from operating and investing activities	**(52.8)**	**(0.9)**	**(59.7)**	**(270.1)**
Raising of non-current debt	0.0	0.0	44.5	392.1
Repayment of non-current debt	(1.2)	(5.1)	(2.7)	(5.1)
Dividend paid	0.0	0.0	(65.7)	(65.7)
Cash flows from financing activities	**(1.2)**	**(5.1)**	**(23.9)**	**321.3**
Total cash flows	**(54.0)**	**(6.0)**	**(83.6)**	**51.2**
Cash and cash equivalents and bank debt at beginning of period	76.1	113.8	104.0	56.0
Foreign exchange adjustment	(0.3)	(1.3)	1.4	(0.7)
Cash and cash equivalents and bank debt at end of period	**21.8**	**106.5**	**21.8**	**106.5**
Recognition of cash and cash equivalents and bank debt at end of period:				
Cash and cash equivalents	57.0	147.5	57.0	147.5
Overdraft facilities	(35.2)	(41.0)	(35.2)	(41.0)
	21.8	**106.5**	**21.8**	**106.5**

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

Balance sheet, assets

DKKm

Group	30 Sept. 2016	30 Sept. 2015	31 Dec. 2015
Goodwill	75.7	63.1	65.5
Other intangible assets	34.9	29.9	35.6
Intangible assets	**110.6**	**93.0**	**101.1**
Land and buildings	217.9	136.1	136.0
Plant and machinery	455.4	423.3	436.7
Other fixtures and fittings, tools and equipment	33.1	13.2	14.9
Plant under construction	182.4	83.5	118.5
Property, plant and equipment	**888.8**	**656.1**	**706.1**
Investments in associates	3.0	2.8	2.9
Other receivables	5.2	7.1	5.1
Deferred tax	110.9	122.8	120.8
Other non-current assets	**119.1**	**132.7**	**128.8**
Non-current assets	**1,118.5**	**881.8**	**936.0**
Inventories	216.0	229.9	213.9
Trade receivables	351.7	345.0	353.6
Income tax	9.9	8.1	8.1
Other receivables	77.7	58.8	63.5
Prepayments	11.0	12.2	16.3
Cash and cash equivalents	57.0	147.5	128.9
Current assets	**723.3**	**801.5**	**784.3**
Assets	**1,841.8**	**1,683.3**	**1,720.3**

Balance sheet, equity and liabilities

DKKm

Group	30 Sept. 2016	30 Sept. 2015	31 Dec. 2015
Share capital	140.3	140.3	140.3
Hedging reserve	5.3	(3.0)	(4.9)
Translation reserve	(113.5)	(126.9)	(147.6)
Retained earnings	674.9	537.6	544.3
Proposed dividend	0.0	0.0	65.7
Equity	**707.0**	**548.0**	**597.8**
Deferred tax	20.4	17.4	7.1
Pension obligations	47.7	40.6	51.5
Credit institutions	626.4	603.6	589.5
Government grants	9.8	12.7	11.9
Non-current liabilities	**704.3**	**674.3**	**660.0**
Credit institutions	7.4	0.0	9.5
Government grants	2.4	2.5	2.4
Overdraft facilities	35.2	41.0	24.9
Prepayments from customers	26.1	29.0	32.1
Trade payables	176.7	148.3	156.6
Payables to associates	6.3	4.1	5.7
Income tax	27.0	16.5	13.7
Provisions	13.4	77.0	75.6
Other payables	136.0	142.6	142.0
Current liabilities	**430.5**	**461.0**	**462.5**
Liabilities	**1,134.8**	**1,135.3**	**1,122.5**
Equity and liabilities	**1,841.8**	**1,683.3**	**1,720.3**

Statement of changes in equity

DKKm

Group	Share capital	Hedging reserve	Translation reserve	Retained earnings	Proposed dividend	Total equity
Equity at 1 January 2016	**140.3**	**(4.9)**	**(147.6)**	**544.3**	**65.7**	**597.8**
Profit/(loss) for the period	-	-	-	130.6	0.0	130.6
Other comprehensive income						
Items that can be reclassified to profit or loss						
Foreign exchange adjustment of foreign subsidiaries	-	-	34.1	-	-	34.1
Value adjustment of hedging instruments:						
Recognised in other comprehensive income	-	22.8	-	-	-	22.8
Transferred to revenue	-	(7.9)	-	-	-	(7.9)
Transferred to production costs	-	(1.2)	-	-	-	(1.2)
Tax	-	(3.5)	0.0	-	-	(3.5)
	0.0	**10.2**	**34.1**	**0.0**	**0.0**	**44.3**
Total comprehensive income	**0.0**	**10.2**	**34.1**	**130.6**	**0.0**	**174.9**
Transactions with owners						
Dividend paid	-	-	-	-	(65.7)	(65.7)
Total changes in equity	**0.0**	**10.2**	**34.1**	**130.6**	**(65.7)**	**109.2**
Equity at 30 September 2016	**140.3**	**5.3**	**(113.5)**	**674.9**	**0.0**	**707.0**

Equity at 1 January 2015	**140.3**	**(2.5)**	**(48.7)**	**65.7**	**507.9**	**662.7**
Profit/(loss) for the period	-	-	-	0.0	29.7	29.7
Other comprehensive income						
Items that can be reclassified to profit or loss						
Foreign exchange adjustment of:						
Foreign subsidiaries	-	-	(81.6)	-	-	(81.6)
Equity-like loans to subsidiaries	-	-	4.0	-	-	4.0
Value adjustment of hedging instruments:						
Recognised in other comprehensive income	-	(16.1)	-	-	-	(16.1)
Transferred to revenue	-	13.8	-	-	-	13.8
Transferred to production costs	-	(0.4)	-	-	-	(0.4)
Transferred to financial income and expenses	-	2.0	-	-	-	2.0
Tax	-	0.2	(0.6)	-	-	(0.4)
	0.0	**(0.5)**	**(78.2)**	**0.0**	**0.0**	**(78.7)**
Total comprehensive income	**0.0**	**(0.5)**	**(78.2)**	**0.0**	**29.7**	**(49.0)**
Transactions with owners						
Dividend paid	-	-	-	(65.7)	-	(65.7)
Total changes in equity	**0.0**	**(0.5)**	**(78.2)**	**(65.7)**	**29.7**	**(114.7)**
Equity at 30 September 2015	**140.3**	**(3.0)**	**(126.9)**	**0.0**	**537.6**	**548.0**

Notes

01 ACCOUNTING POLICIES

The consolidated interim financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' as adopted by the EU and Danish disclosure requirements for listed companies. No interim financial statements have been prepared for the parent company. The interim financial statements are presented in Danish kroner (DKK), which is the presentation currency used for the group's operations and the functional currency of the parent company.

The accounting policies applied in the interim financial statements are consistent with the accounting policies applied in the consolidated financial statements for 2015. The accounting policies are described in note 38 to the financial statements in our annual report for 2015, to which reference is made.

New financial reporting standards and interpretations in 2016
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 2016. In Hartmann's assessment, the new and revised standards and interpretations that are effective for financial years beginning on or after 1 January 2016 are either not relevant or not of significant importance to the group.

02 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

In applying the group's accounting policies, management is required to make judgments, estimates and assumptions concerning the carrying amount of assets and liabilities which cannot be immediately inferred from other sources.

The judgments, estimates and assumptions made are based on historical experience and other relevant factors which management considers reasonable under the circumstances, but which are inherently uncertain and unpredictable.

The estimates and underlying assumptions are 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.

See note 3 to the financial statements in our annual report for 2015 for a full description of significant accounting estimates, assumptions and uncertainties.

Other matters
Due to seasonal fluctuations, consolidated revenue and operating profit are generally higher for the first and fourth quarters of the year.

03 SEGMENT INFORMATION

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

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 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. Intra-segmental transactions are priced 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. Profits/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.

- **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.

Notes

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03 SEGMENT INFORMATION CONT'D

Activities 9M

2016	Europe	Americas	Total reporting segments
Moulded fibre	839.5	628.6	1,468.1
Other revenue, external	105.2	0.0	105.2
Revenue	**944.7**	**628.6**	**1,573.3**
Operating profit/(loss) before special items	**113.8**	**102.5**	**216.3**
Other segment information			
Depreciation/amortisation	43.9	28.9	
Investments in property, plant and equipment	62.8	166.4	
Net working capital	131.7	131.3	
Invested capital	523.7	756.4	
Segment assets	807.3	878.4	1,685.7

2015	Europe	Americas	Total reporting segments
Moulded fibre	858.8	669.8	1,528.6
Other revenue, external	41.2	0.0	41.2
Revenue	**900.0**	**669.8**	**1,569.8**
Operating profit/(loss) before special items	**68.9**	**104.9**	**173.8**
Other segment information			
Depreciation/amortisation	43.0	28.9	
Investments in property, plant and equipment	38.5	66.1	
Net working capital	162.4	116.2	
Invested capital	515.9	516.7	
Segment assets	772.6	642.3	1,414.9

Notes

DKKm

03 SEGMENT INFORMATION CONT'D

Reconciliation

	9M 2016	9M 2015
Revenue		
Revenue for reporting segments	1,573.3	1,569.8
Revenue, see statement of comprehensive income	**1,573.3**	**1,569.8**
Performance targets		
Operating profit/(loss) before special items for reporting segments	216.3	173.8
Non-allocated corporate functions	(23.8)	(18.8)
Eliminations	(3.0)	0.6
Operating profit/(loss) before special items, see statement of comprehensive income	189.5	155.6
Special items	0.0	(97.2)
Operating profit/(loss), see statement of comprehensive income	189.5	58.4
Financial income	4.7	3.5
Financial expenses	(20.0)	(27.1)
Profit/(loss) before tax, see statement of comprehensive income	**174.2**	**34.8**

	30 Sept. 2016	30 Sept. 2015
Assets		
Assets for reporting segments	1,685.7	1,414.9
Non-allocated assets	180.8	281.3
Eliminations	(24.7)	(12.9)
Assets, see balance sheet	**1,841.8**	**1,683.3**

04 SPECIAL ITEMS

	Q3 2016	Q3 2015	9M 2016	9M 2015
Severance pay	0.0	15.5	0.0	15.5
Other costs	0.0	68.2	0.0	81.7
Special costs	**0.0**	**83.7**	**0.0**	**97.2**

Special costs for 2015 relate to the closure of Hartmann's German factory.

Notes

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05 FINANCIAL INSTRUMENT CATEGORIES

Financial instrument categories

	30 Sept. 2016		30 Sept. 2015		31 Dec. 2015	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Derivative financial instruments to hedge future cash flows	7.8	7.8	3.0	3.0	2.6	2.6
Financial assets used as hedging instruments	**7.8**	**7.8**	**3.0**	**3.0**	**2.6**	**2,6**
Trade receivables	351.7	351.7	345.0	345.0	353.6	353.6
Other receivables	79.8	79.8	63.9	63.9	69.0	69.0
Cash and cash equivalents	57.0	57.0	147.5	147.5	128.9	128.9
Loans and receivables	**488.5**	**488.5**	**556.4**	**556.4**	**551.5**	**551.5**
Derivative financial instruments to hedge future cash flows	1.0	1.0	7.1	7.1	9.4	9.4
Financial liabilities used as hedging instruments	**1.0**	**1.0**	**7.1**	**7.1**	**9.4**	**9.4**
Credit institutions	669.0	669.0	644.6	644.6	623.9	623.9
Other liabilities	354.4	354.4	378.8	378.8	381.6	381.6
Financial liabilities measured at amortised cost	**1,023.4**	**1,023.4**	**1,023.4**	**1,023.4**	**1,005.5**	**1,005.5**

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

06 EVENTS AFTER THE BALANCE SHEET DATE

Except as recognised or mentioned in this interim report, no significant events have occurred after the balance sheet date at 30 September 2016 of significance to the consolidated financial statements.

Hartmann at a glance

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

Sustainability
Sustainability and protection of the environment 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. Working closely with our customers to accommodate demand for sustainable products in the retail industry, Hartmann was the first manufacturer to offer both FSC-certified and CO_2-neutral retail packaging.

Markets
Hartmann's egg packaging is sold globally. Our key markets are Europe, South America and North America, where Hartmann has strong market positions. Hartmann is a market leader in Europe and South America, where our 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.

Customers
Hartmann sells egg and fruit packaging to manufacturers, distributors and retail chains, which 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 employs 2,000 people. Production takes place at Hartmann's own factories, of which three are located in Europe, one in Israel, five in South America and one in Canada.

The Hartmann share
Hartmann's shares have been listed on Nasdaq Copenhagen since 1982. Hartmann has one class of shares, and each share carries one vote. Financial reports and company announcements may be obtained by subscribing to Hartmann's news service at investor.hartmann-packaging.com.

Financial calendar 2017

20 February 2017	Deadline for submission of business to be transacted at the annual general meeting
8 March 2017	Annual report 2016
4 April 2017	Annual general meeting
23 May 2017	Interim report Q1 2017
29 August 2017	Interim report Q2 2017
14 November 2017	Interim report Q3 2017

HARTMANN CHOOSE FIBRE. SAVE NATURE.®

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