

1H 2008

28 August 2008

Presentation by Peter A. Poulsen, CEO
and Tom Wrensted, CFO



AGENDA

1. Highlights from 1H 2008
2. Update on turnaround plan
3. Share issue and merger of share classes
4. Financial review of 1H 2008
5. Outlook



HIGHLIGHTS 1H 2008

- **Marked increase in normalised EBIT** of DKK 50 million against the year-earlier level of DKK 12 million
- Revenue and earnings growth in **Egg Packaging Europe**
- **Egg Packaging North America** remains affected by unfavourable hedging of exchange rates
- Revenue decline in **Industrial Packaging**, but considerable increase in normalised EBIT. The loss of a key account causes asset impairment of DKK 32 million
- **Capital injection** improves the Group's financial situation
- Merger of **share classes**



FORWARD TO BASICS – UPDATE (1)

Consolidation and strengthening of Hartmann



Partial global pullback	<ul style="list-style-type: none">• Divestment of operations in South America• Closure of operations in Asia• Focus on core business
Adjusting the organisation	<ul style="list-style-type: none">• Establishment of new organisational structure• Reduction of fixed costs – DKK 40 million annually• Launch of European Supply Chain
Earnings before growth	<ul style="list-style-type: none">• Reduction of production complexity• Trimming of product and customer portfolio• Starting up Activity Based Cost project

FORWARD TO BASICS – UPDATE (2)

Implementation is on track

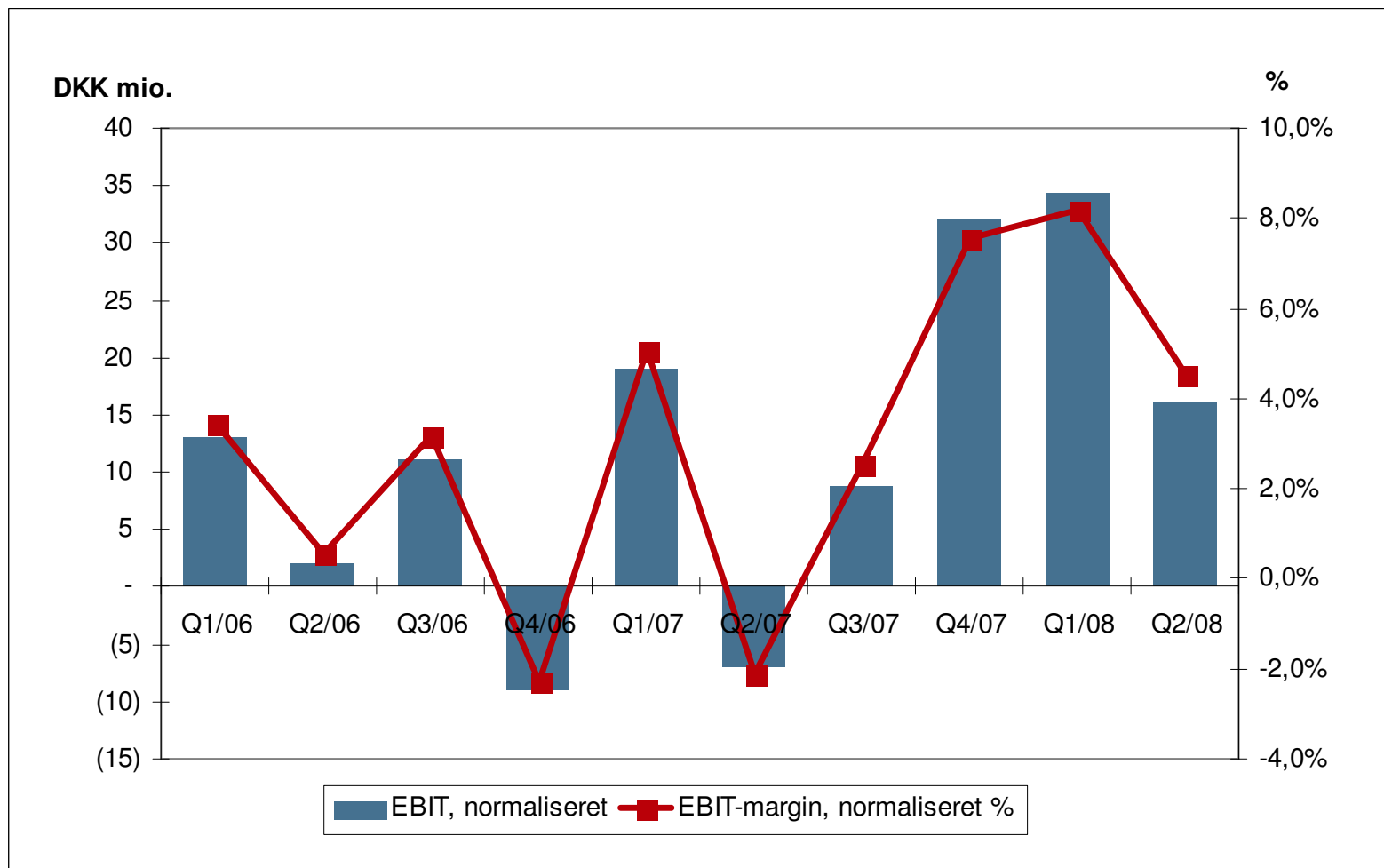
Developments in normalised EBIT (DKKm)

	1H 08	1H 07	1H 06
Egg Packaging Europe	57	30	51
Egg Packaging North America	-14	-14	-20
Industrial Packaging	24	13	0
Other	-17	-17	-16
Group	50	12	15

- Several of the formerly loss-making operations have now been **completely wound up**
- Improved coordination between sales and production creates a basis for **improved production planning**
- **Product trimming and service optimisation** in a collaborative effort with customers
- The turnaround plan is scheduled for **full implementation** by the end of 2008, generating a **full effect** in 2009

QUARTERLY DEVELOPMENT IN EBIT, NORMALISED

Continuous progress compared to earlier periods



SUCCESSFUL RIGHTS ISSUE

Noticeable strengthening of the financial situation

- **Fully subscribed rights issue**
involving an offering of 3,507,545 new shares of nominal DKK 20
- Massive **support** from the shareholders
- New shares offered at a price of DKK 78 per share
- Gross proceeds of DKK 274 million
- **Net proceeds of DKK 252 million**

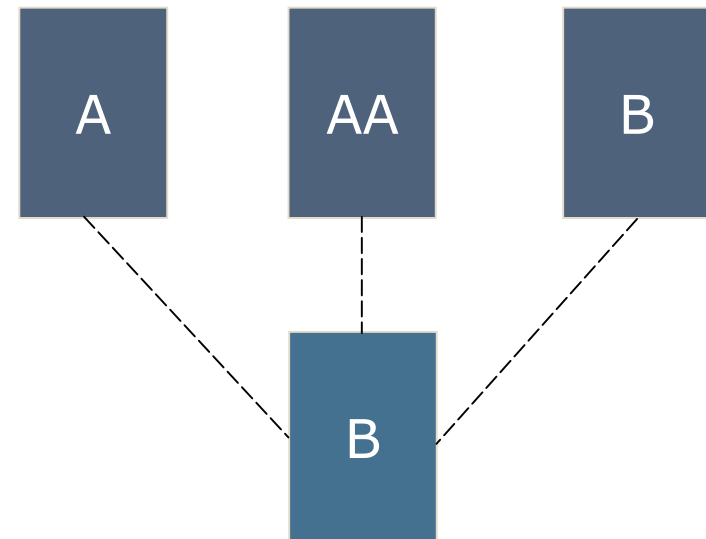
DKKm

Share capital	70
Free reserves	<u>182</u>
	252
Subordinate loan capital	50
Long-term bank debt	65
Improvements in cash position	<u>137</u>
	252

MERGER OF SHARE CLASSES

From three to one share class

- Together with the rights issue Hartmann **merged** its three former **share classes**
- The new ownership structure builds upon the principle of '**one share – one vote**'
- The new **simplified share structure** is expected to increase the liquidity of the Hartmann share in the long term



OWNERSHIP STRUCTURE AFTER THE RIGHTS ISSUE

Change in shares of votes after the merger of share classes

Owner	Ownership in %*	Share of votes in %
LD Equity I K/S	20.6	20.6
EDJ-Gruppen	12.9	12.9
The Brødrene Hartmann Foundation	12.2	12.2
Publisher Commodore ApS/AUS Invest ApS	10.5	10.5
ATP and ATP Invest	10.2	10.2

* Based on the owners' notifications to Hartmann as at 2 July 2008

KEY FIGURES FOR Q2 AND 1H 2008

Turnaround activities cause significant earnings growth

DKKm	Q2 08	Q2 07	1H 08	1H 07	2007
Revenue	354	332	769	713	1,492
Operating result (EBIT)	-4	-176	30	-171	-146
<i>EBIT, normalised</i>	16	-7	50	12	53
Financials	-31	-18	-44	-27	-52
Tax	5	-44	-1	-44	-74
Result for the period for continuing operations	-30	-239	-14	-241	-271

- Extraordinary increase of DKK 16 million in financials in Q2 in connection with the winding-up of operations in Asia

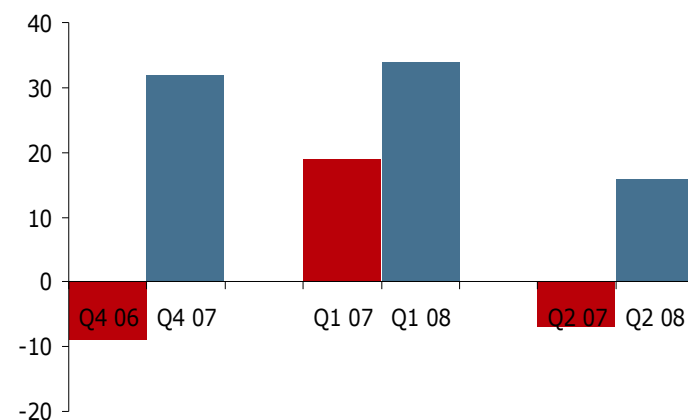
EGG PACKAGING EUROPE

Continued strong development despite generally increasing prices of energy and raw materials

DKKm	Q2 2008	Q2 2007	1H 2008	1H 2007	2007
Revenue	264	231	558	504	1,043
EBIT	18	4	57	31	64
Normalised EBIT	18	3	57	30	69
<i>Normalised EBIT, %</i>	7%	2%	10%	6%	7%

- **Volume growth** and **improved product and price mix**
- Positive effect from the **turnaround activities**
- Keener focus on **reduced energy consumption**

Developments in norm. EBIT (DKKm)



INDUSTRIAL PACKAGING

Revenue decline – growth in operating result (EBIT)

DKKm	Q2 2008	Q2 2007	1H 2008	1H 2007	2007
Revenue	32	54	76	104	220
EBIT	-14	-40	-1	-41	-16
Normalised EBIT	11	9	24	14	40
<i>Normalised EBIT, %</i>	<i>34%</i>	<i>17%</i>	<i>32%</i>	<i>14%</i>	<i>18%</i>

- Revenue decline driven by **winding-up activities** and **product trimming**
- **Turnaround activities** brought down fixed and variable costs
- **Asset impairment** of DKK 32 million and non-recurring costs of DKK 1 million due to previously announced changes in the market situation

EGG PACKAGING NORTH AMERICA

Result remains unsatisfactory

DKKm	Q2 2008	Q2 2007	1H 2008	1H 2007	2007
Revenue	28	35	63	72	147
EBIT	-6	-122*	-7	-131**	-144
Normalised EBIT	-6	-7	-14	-14	-28

* Asset impairment accounts for DKK115 million

** Asset impairment and non-recurring costs account for DKK116 million. EBIT in 1H 07 comes to DKK -16 million exclusive of impairment

- Positive effect of **sold equipment**, **lower fixed costs** and **lower depreciation**
- **Unfavourable cross rate CAD/USD**
- Focus on **revenue** and **capacity utilisation**

Developments CAD/USD



CASH FLOWS

Positive effect of earnings growth and capital injection

DKKm	Q2 08	Q2 07	1H 08	1H 07	2007
Cash flows from operating activities	18	7	31	-6	56
Cash flows from investing activities	-3	-50	-19	-88	-142
Cash flows from financing activities	149	-8	136	-21	74
Cash flows from discontinued activities	-	-39	-	-50	-65
Total cash flows	163	-90	147	-165	-76

BALANCE SHEET

DKKm	30 June 2008	30 June 2007	31 Dec. 2007
Total assets	1,239	1,224	1,220
Total equity capital	515	262	220
Interest-bearing debt (net)	316	586	592
Net working capital (NWC)	178	143	112
Invested capital (IC)	828	845	810

- Equity capital increased by DKK 295 million from the opening level mainly due to the rights issue
- Interest-bearing debt declined by DKK 276 million from the opening level due to i.a. loan repayment

KEY RATIOS

Improvement in all key ratios

%	1H 2008	1H 2007	2007
Operating margin before tax and depreciation (EBITDA)	13.9	4.8	7.6
- <i>adjusted for non-recurring items</i>	12.3	8.7	10.5
Operating margin (EBIT)	4.0	-24.0	-9.8
- <i>adjusted for non-recurring items</i>	6.6	1.7	3.6
Return on invested capital (ROIC)	7.4	-37.5	-16.3
- <i>adjusted for non-recurring items</i>	12.3	2.6	5.9
Gearing	61.4	223.3	268.7
Equity ratio	41.6	21.4	18.0

OUTLOOK FOR 2008

The most recently announced outlook for 2008 is maintained

DKKm	Announced in Annual Report 2007	Announced at Q1 and in offering circular	Announced on 28 August 2008
Revenue	approx. 1,460	approx. 1,480	approx. 1,480
Operating result (EBIT)	approx. 70	approx. 55	approx. 55
Earnings for the year (EAT)	approx. 20	approx. 0-5	approx. 0-5

- Impairment and non-recurring items in Industrial Packaging are still expected to amount to DKK 38 million, which is included in the above-mentioned outlook
- Exchange rate losses and interest rate increases are expected to offset the positive effect of the share issue on financial net costs – and thus also the result after tax

Main strategy elements maintained

- Optimisation of **European business by reduced unit costs**
- Growth in revenue and capacity utilisation in **North America**
- Adjustment of activity levels in **Industrial Packaging**
- Generation of an **EBIT margin in the range of 10%** starting in **2010**



THANK YOU FOR ATTENDING!

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