

Annual General Meeting

20 April 2010

Brødrene Hartmann A/S



AGENDA

- 1) Report from the Board of Directors on the company's activities in the past financial year
- 2) Presentation of the audited annual report for approval, and resolution on the discharge from liability of members of the Board of Directors and the Executive Board
- 3) Resolution on the distribution of profit or the cover of loss in accordance with the approved annual report
- 4) Election of members to the Board of Directors
- 5) Approval of the emoluments to the Board of Directors for 2010
- 6) Election of auditor
- 7) Proposal from the Board of Directors for an amendment to the company's articles of association: the adoption of a new article 13(2) – Age limit for board members
- 8) Proposal from the Board of Directors for amendments to several articles in the company's articles of association as a result of the new Danish Companies Act
- 9) Proposal from the Board of Directors for amendments to several articles in the company's articles of association based on the new Danish Companies Act
- 10) Proposal from the Board of Directors for conditional amendments to several articles in the company's articles of association as a result of the new Danish Companies Act
- 11) Proposal from the Board of Directors for amendments to several other articles in the company's articles of association
- 12) Proposal from the Board of Directors to grant the Chairman of the meeting authority to arrange for, and to make such alterations and additions as may be required for, the notification of resolutions made at the annual general meeting to the Danish Commerce and Companies Agency
- 13) Proposal from the Board of Directors for the granting of authority to acquire treasury shares
- 14) Any proposals from the Board of Directors or shareholders

ITEM 1

- Report from the Board of Directors on the company's activities in the past financial year.



- **Current status on strategy process**
- **Highlights and financial ratios 2009**
- **Financial review 2009**
- **Outlook for 2010**
- **Strategy phase 3: *'From Good to Great'* (2011-2013)**
- **Summary and questions**



NEW MEMBERS OF THE EXECUTIVE BOARD



**Magali
Depras**
CCO



**Søren
Tolstrup**
COO



**Claus Frees
Sørensen**
CFO

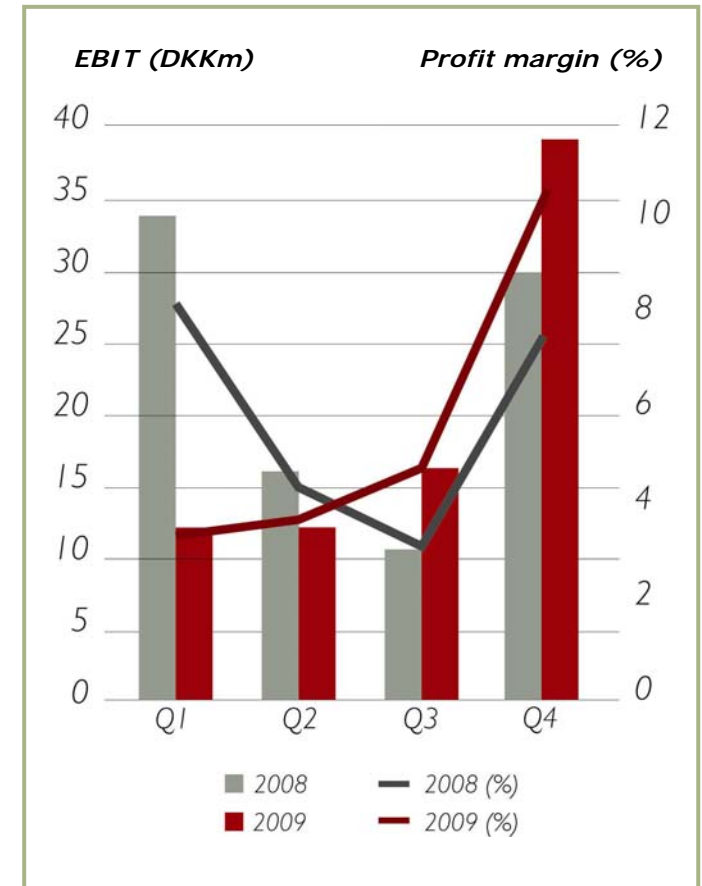
STRATEGY PROCESS PROCEEDING ACCORDING TO PLAN



HIGHLIGHTS 2009

Expectations met

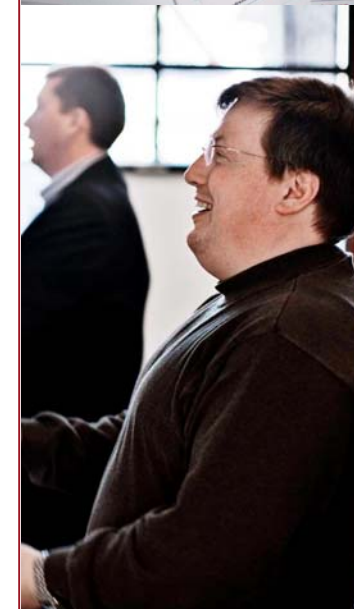
- **Profit margin for the year was 4.9%** (before special items: 5.7%)
- Effects of the '10 in 10' plan were clearer than ever in **Q4 2009** - **profit margin before special items of 10.4%**
- Quarter by quarter, the '**10 in 10**' plan reflected **positively on operations**, but the year was severely affected by **unfavourable exchange rates** compared with 2008
- Underlying operations in **Europe** improved
- **North America** stabilised and in strong growth
- **Industrial Packaging**: Stabilisation at lower level
- **Marked improvement of profit for the year**



FINANCIAL HIGHLIGHTS 2009

Improved profit despite effects of developments in exchange rates

DKKm	2009	2008	2007
Revenue	1,380	1,491	1,492
Operating profit/(loss) before special items	79	91	53
Special items	(12)	(25)	(199)
Operating profit/(loss)	67	66	(146)
Net financial income and expense	(19)	(77)	(52)
Profit/(loss) for the year	36	(3)	(513)
<i>Profit margin before special items</i>	5.7	6.1	3.6
<i>Profit margin</i>	4.9	4.4	(9.8)



EBIT BEFORE SPECIAL ITEMS – PRIMARY SEGMENTS

DKKm	EP EU	EP NA	IP
EBIT before special items 2008	117.6	(27.2)	29.0
Exchange rate developments	(51.9)	8.8	-
Operational improvements etc.	42.5	11.3	-
Decline in activities/loss of major customer	-	-	(18.6)
EBIT before special items 2009	108.2	(7.1)	10.4

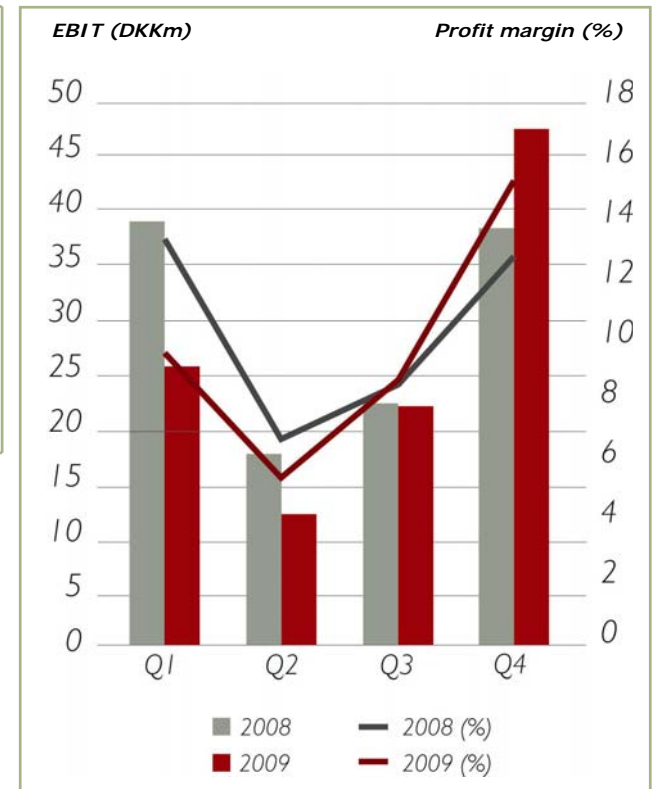


EGG PACKAGING EUROPE

Underlying operations improved

DKKm	2009	2008
Revenue	1,100	1,142
Operating profit/(loss) before special items	109	118
<i>Profit margin before special items</i>	<i>9.8</i>	<i>10.3</i>
Special items	(12)	0
Operating profit/(loss)	97	118

- **Operational improvements** as a result of '10 in 10' initiatives
- Continued focus on **earnings before growth**
- **Small decline in volumes**
- Unfavourable developments in **exchange rates** (DKK 52 million)
- **Management changes** in European organisation

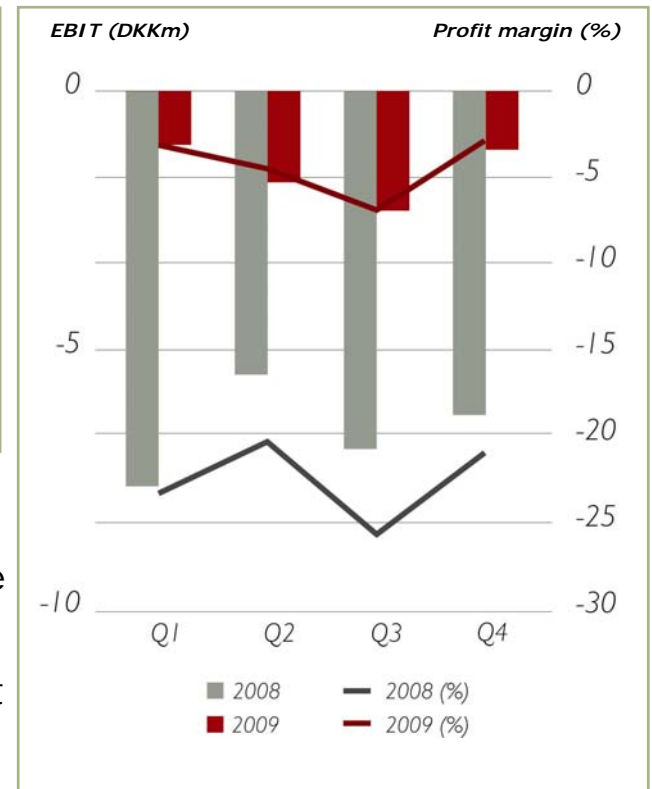


EGG PACKAGING NORTH AMERICA

Strong growth

DKKm	2009	2008
Revenue	163	123
Operating profit/(loss) before special items	(7)	(27)
<i>Profit margin before special items</i>	(4.4)	(22.1)
Special items	0	6
Operating profit/(loss)	(7)	(21)

- **Increased volumes (33%)**
- **Improved product and price mix** – more high-value products
- **Hedging of exchange rate risk** for 2009 arranged at an average level of 0.92 (2008: 1.04). **Positive effect of DKK 9 million.**
- Focus on **capacity utilisation**
- Q3 affected by implementation of automation measures

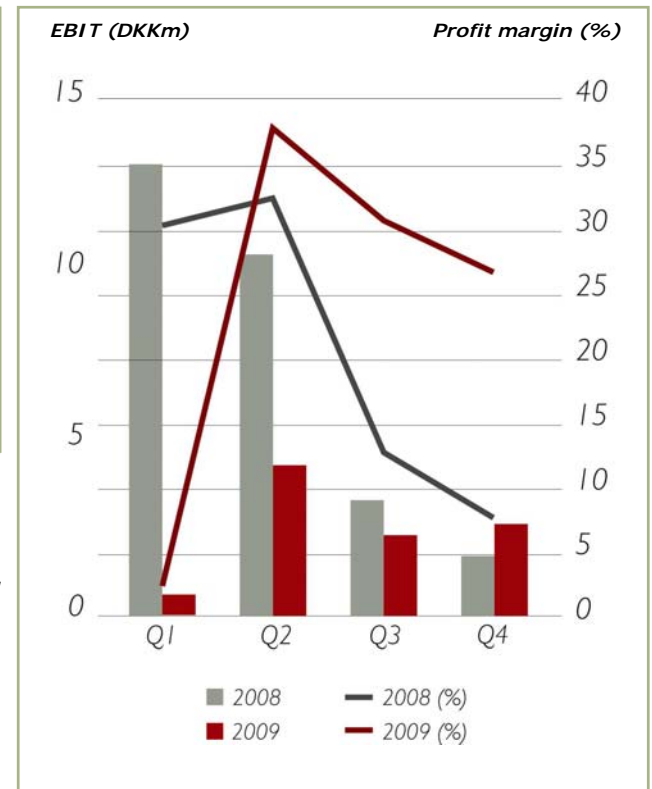


INDUSTRIAL PACKAGING

Stabilisation at lower level

DKKm	2009	2008
Revenue	48	126
Operating profit/(loss) before special items	10	29
<i>Profit margin before special items</i>	<i>21.8</i>	<i>23.0</i>
Special items	0	(29)
Operating profit/(loss)	10	0

- **Market trends** are closely monitored
- Activities expected to remain at a **significantly lower level** going forward
- Adjusting the organisation
- No longer a separate strategic business area



OTHER BUSINESS AREAS

DKKm	2009	2008
Revenue	69	100
Operating profit/(loss) before special items	(34)	(24)
Special items	0	5
Operating profit/(loss)	(34)	(19)

- Significant slowdown in activities in **Hartmann Technology** compared with 2008, as customers are reluctant to invest in new machinery
- Only partially offset by **lower costs relating to group functions**



CASH FLOWS

Cash flow development in line with expectations

DKKm	2009	2008
Cash flows from operating activities	76	101
Cash flows from investing activities	(94)	(83)
Free cash flow	(18)	18
Cash flows from financing activities	(22)	122
Total cash flows	(40)	140

- **Cash flows from operating activities** adversely affected by reduced operating profit before special items relative to 2008 and by changes in working capital
- **Cash flows from financing activities** lower than in 2008, which was positively affected by the proceeds from the rights issue
- **Capital resources** remained on a satisfactory level

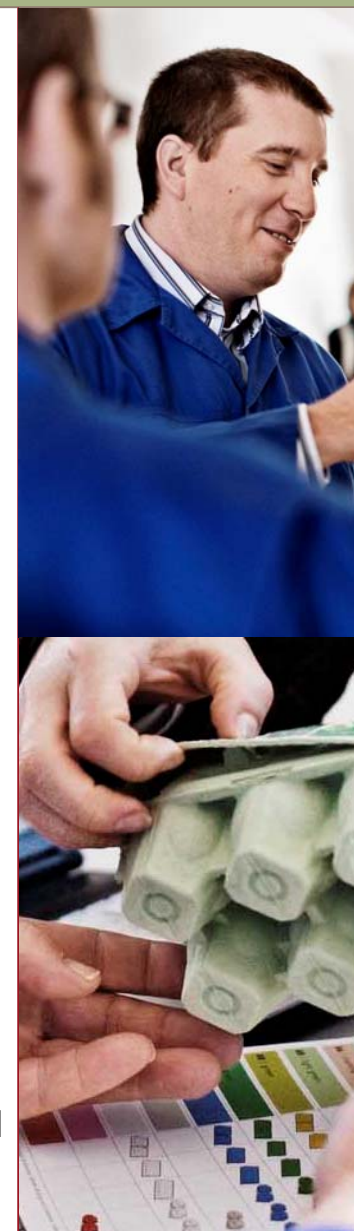


BALANCE SHEET

Increase in equity

DKKm	31.12.09	31.12.08
Assets	1,216	1,189
Invested capital (IC)	786	725
Net working capital (NWC)	151	100
Net interest-bearing debt	345	317
Equity	508	456

- **Significant increase in net working capital** primarily due to an increase in Other receivables (positive forward contracts) and a decrease in Trade payables (lower activity level in Other business areas)
- The increase in **net interest-bearing debt** was planned and was a consequence of the increased investment level
- The Group's **equity** increased by DKK 52 million from the opening level



FINANCIAL RATIOS

Improved financial strength

%	2009	2008
Operating margin (EBITDA)	11.2	12.9
Profit margin before special items	5.7	6.1
EBIT margin	4.9	4.4
Return on invested capital (ROIC), average	8.9	8.7
Equity ratio	41.7	38.4
Gearing	68.0	69.5

- The Board of Directors recommends to the annual general meeting that, due to the profit for the year, **dividends of DKK 1.50 per share be distributed**, representing approximately 30% of the profit for the year



OUTLOOK FOR 2010

'10 in 10' is retained

	Forecast 2010	Actual 2009
Revenue, DKKm	Approx. 1,400	1,380
Profit margin before special items	Approx. 10%	5.7

Investment level of DKK 100–110 million

Hedging of exchange rate risk 2010

- **CAD/USD** hedged for the full year 2010
- **European main currencies** (GBP, PLN, SEK and NOK) hedged for the first nine months of the year

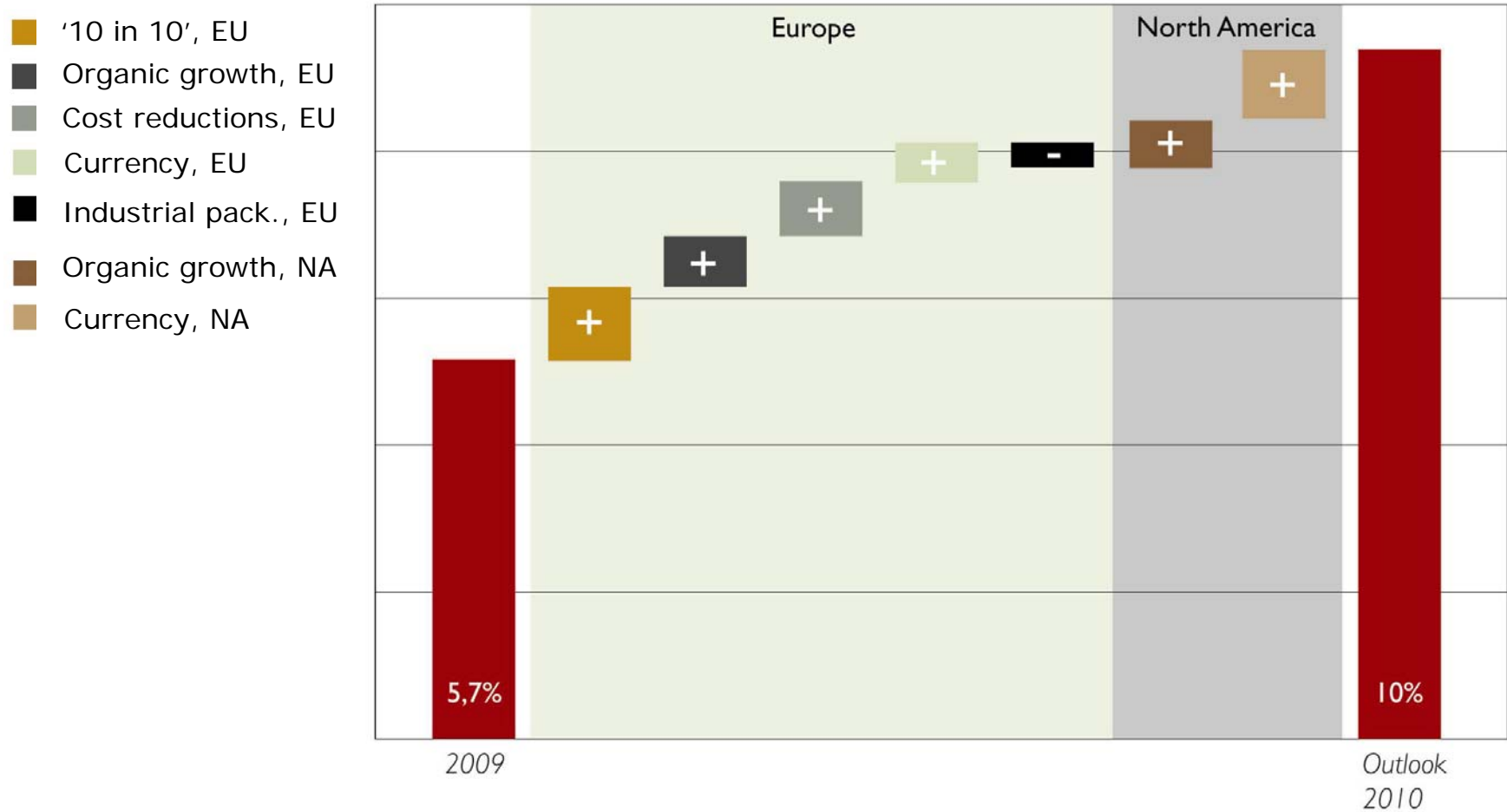
Segmentation changed as from 2010

- Egg Packaging Europe and Industrial Packaging > **Europe**
- Egg Packaging North America > **North America**



OUTLOOK

Profit margin before special items 2010



STRATEGY 'From Good to Great' (2011-2013)



STRATEGY 'From Good to Great' (2011–2013)

EUROPE

Strengthened market offering

- Introduction of new products within egg packaging
- Improvement and development of customer services
- Service offering differentiation

Operational excellence

- Standardisation of products and documentation of processes
- Continuous improvement of efficiency and quality
- Further integration of sales and production planning
- Selective investments in process technology and IT

Competitive cost level

- Energy efficiency optimisation
- Automation
- Continued focus on costs

NORTH AMERICA

High-value packaging

- Continued focus on increasing sales of high-value products

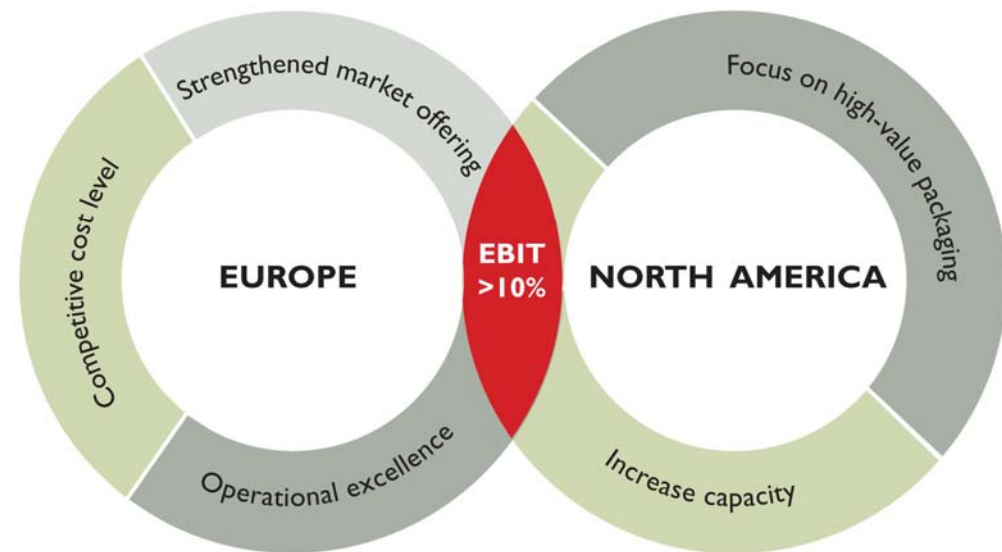
Capacity increase

- Continued focus on improving capacity utilisation

FINANCIAL TARGETS 2011–2013

In the period 2011–2013, Hartmann will

- Ensure annual **organic revenue growth** at an average rate of about 2%
- At a minimum retain a **profit margin** in the region of 10%
- Ensure continuous improvement of the **free cash flow**
- Ensure an attractive **return on invested capital** (ROIC 15–20%)
- Distribute annual **dividends** at a minimum of approximately 30% of the profit for the year



KEY TAKE-AWAYS

Strong platform for achieving strategic goals

- The Group **met expectations for 2009** for revenue and earnings and maintains its target of a **profit margin in the region of 10% in 2010**
- Lead product – moulded-fibre egg packaging– **only slightly sensitive to cyclical fluctuations**. Positive effect of growing awareness of **sustainability**
- **The '10 in 10' plan** ensures **optimisation of earnings** and **reduction of business risks**
- **New financial targets for 2011–2013**
- Expansion of **market leadership position** and increased long-term **competitive strength: new products and services**



MOVEMENTS IN THE SHARE PRICE OF THE HARTMANN SHARE



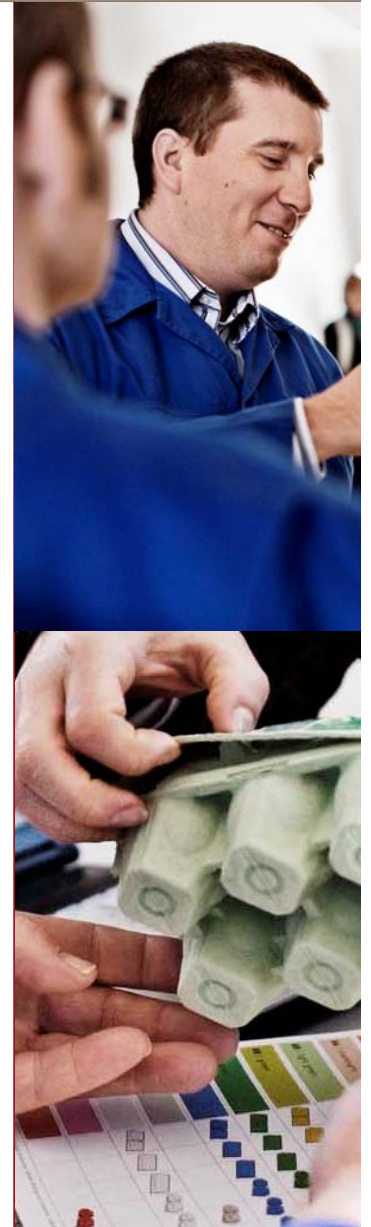
ITEM 1

- Report from the Board of Directors on the company's activities in the past financial year.



ITEM 2

- **Presentation of the audited annual report for approval, and resolution on the discharge from liability of members of the Board of Directors and the Executive Board.**



ITEM 3

- **Resolution on the distribution of profit of the cover of loss in accordance with the approved annual report.**
 - Profit for the year 2009: DKK 36 million
 - Recommendation for dividends for the financial year ended 31 December 2009: DKK 1.50 per share (DKK 0 per share for the financial year ended 31 December 2008)
 - Share of profit distributed: about 30%



Annual General Meeting
20 April 2010

Questions to the report



ITEMS 1-3

- Approval of items 1-3



ITEM 4

- **Election of members to the Board of Directors**
 - The Board of Directors proposes that all shareholder-elected members be re-elected



Erik Højsholt
Chairman



Walther Vishof
Paulsen
Vice Chairman



Peter-Ulrik Plesner



Niels Hermansen

- **New employee-elected members to the Board of Directors**
 - Term of four years



Niels Christian
Petersen



Jan Peter
Antonisen

ITEM 5

- **Approval of emoluments to the Board of Directors for 2010**
 - Ordinary members to receive an annual fee of DKK 150,000 per member
 - The Vice Chairman to receive twice the fee of an ordinary member and the Chairman to receive three times the fee of an ordinary member
 - The Board of Directors recommends that the board emoluments for 2010 remain unchanged from 2009



ITEM 6

- **Election of auditor**
 - The Board of Directors recommends the re-election of Deloitte Statsautoriseret Revisionsaktieselskab



Amendments to the articles of association



ITEM 12

- **Proposal from the Board of Directors to grant the chairman of the meeting authority to arrange for, and to make such alterations and additions as may be required for, the notification of resolutions made at the annual general meeting to the Danish Commerce and Companies Agency.**



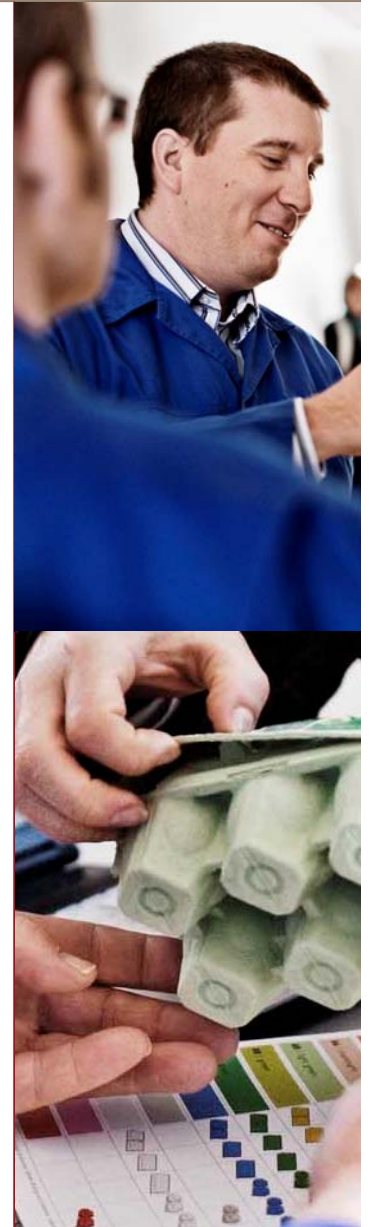
ITEM 13

- **Proposal from the Board of Directors for the granting of authority to acquire treasury shares**
 - The Board of Directors is granted authority to let the company acquire treasury shares at a maximum nominal value of DKK 14,030,180 in the period until 20 October 2011 at the price quoted at the time of acquisition plus/minus a maximum of 10%



ITEM 14

- Any proposals from the Board of Directors or shareholders



Annual General Meeting

20 April 2010

Brødrene Hartmann A/S

