



Information for our Shareholders on the First Half of 2011

News from the HARTMANN GROUP

Adoption of HARTMANN design for the US market

The U.S. incontinence product brand Dignity, acquired during the acquisition of Whitestone, has undergone a package redesign and been integrated into the HARTMANN portfolio. The new Dignity branding is the first step in developing clinically tested and especially skin friendly products for wholesalers who supply homes for the elderly. The package, which is visually based on the MoliCare products, also supports customer-focused positioning of the brand in the home care market through clear illustrations and easy-to-understand application guides.

Growth market "latex-free"

In manufacturing products and packaging, HARTMANN follows the trend of gradually moving away from the use of natural latex which can cause an allergic reaction in many people. An innovative production method developed by the HARTMANN subsidiary Karl Otto Braun (KOB) now allows coating of Peha-haft cohesive conforming bandages with a synthetic polymer instead of latex. To implement this production technique, KOB in Wolfstein invested several million euros in a new coating machine. HARTMANN can thus increase the capacity for the production of latex-free bandages and realize additional market potential. HARTMANN also produces examination and protective gloves without natural latex, the Peha-soft nitrile range. In addition, packages containing latex, such as peel pouches, are gradually being converted to latex-free alternatives.

Award for logistics center in Belleville

At the International Transport and Logistics Exhibition in Paris, the HARTMANN logistics center in Belleville, France, which was opened last year, received several awards from the "Le Journal de la Logistique" magazine. The jury gave awards for performance in the areas of "Personnel Management" and "Sustainable Business Practices". In addition, the jury, consisting of representatives from politics and business, gave the overall Trophée d'Or 2011 (Golden Trophy) award to Belleville for the best European logistics platform. Among others, the criteria included customer focus and sustainability as well as work conditions and further education.

Investments in the Brück logistics site

In May 2011, construction of a further high bay-warehouse with more than 8,500 additional pallet places began in the Brück logistics center. In addition, a new shipping hall with another 2,500 pallet places is being built for product picking. The investment will help meet the increased demand for logistics capacity resulting from the installation of faster machines for manufacturing incontinence products in the Brück plant, and further improve product flow.

CIP method also implemented at BODE

With the integration of the production of disinfectants at BODE in Hamburg into the HARTMANN production system, the processes are now being analyzed for optimization using the Continuous Improvement Process (CIP) methods. CIP projects are currently focusing, for example, on job change on the production lines and associated machine down-time.

CMC strategy for continued growth

During his visit at CMC Consumer Medical Care GmbH in its new domicile in Sontheim near Heidenheim, CEO Dr. Rinaldo Riguzzi obtained information on the long-term direction of the subsidiary. Several elements of the strategy focus on the sustained profitable growth of CMC: concentrating on private-label business, on innovations (such as in moist cosmetic pads, working with major cosmetics brand manufacturers, or in dry cosmetic pads, using a new combination of materials), on investments in the Düren plant for optimizing production processes and on modernizing branding.

Nursing care meets politics

2011 was designated the "Year of Nursing" by the German Federal Ministry of Health. The associated reform of nursing will also affect the general conditions of inpatient geriatric care. At the invitation of the HARTMANN Berlin office, about 30 top customers from inpatient nursing facilities and the nursing policy experts from four parliamentary groups met in Berlin under the motto "Nursing care meets politics" on May 26, 2011. The statements of the party representatives showed that there is agreement on the cornerstones of modern nursing. The greatest differences of opinion concerned, as expected, financing of nursing care in the light of demographic changes.

Lifelong learning as a program

At the French HARTMANN subsidiary, the "Parcours d'Excellence Professionnelle" (PEP) program supports employees in further developing a customized career. The program is based on helping employees prepare for new professional challenges in the future. In accordance with the definition of the career requirements, the strengths and weaknesses of the respective employees are identified and training measures implemented including practical training in the workplace. As a first step, the program addresses office and field sales persons and is currently being expanded to cover other career areas.

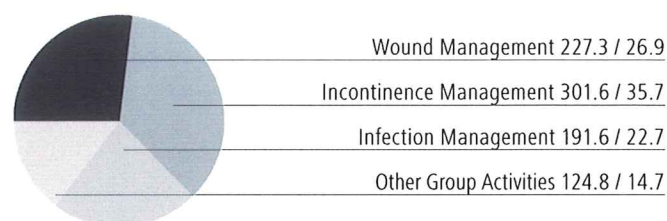
Business Development in the First Half of 2011

Growth in all business segments

In the first six months of 2011, the HARTMANN GROUP achieved global sales revenues of EUR 845.3 million despite the difficult market environment. This is an increase of 6.2% compared to the previous year.

Share of total sales by business segment of the HARTMANN GROUP as at June 30, 2011

in EUR million and percent



In the Wound Management segment, sales revenues increased by 4.4% to EUR 227.3 million as at June 30, 2011. In particular, there was significant growth in product systems for modern wound management as well as in postoperative dressings. HARTMANN also improved its market position in traditional dressing materials.

In the Incontinence Management segment, we increased sales revenues by 3.3% to EUR 301.6 million. In line with the trend in inpatient care of moving from one-piece to two-piece product systems, MoliForm incontinence pads in particular contributed to the growth in the business segment. MoliCare Mobile, the incontinence pants for mobile patients, again recorded double-digit growth in the first half of 2011. The new generation of MoliMed incontinence pads benefited from strong customer acceptance in medical stores.

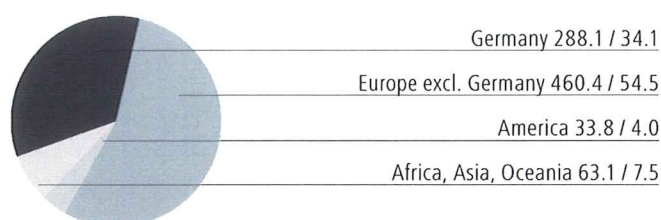
The Infection Management segment continued its two-digit growth in the course of fiscal year 2011. Sales revenues rose by 16.0% to EUR 191.6 million as at June 30, 2011. Growth resulted in particular from increased sales in the product categories of surgical sets, hand disinfectants and gloves.

The share of the medical core segments in total sales was 85.2% as at June 30, 2011.

Other Group Activities recorded sales of EUR 124.8 million as at June 30, 2011, an increase of 3.1% compared to the previous year. The CMC Group particularly contributed to this growth; the subsidiaries Kneipp and NOGE also saw strong growth.

Share of total sales by region of the HARTMANN GROUP as at June 30, 2011

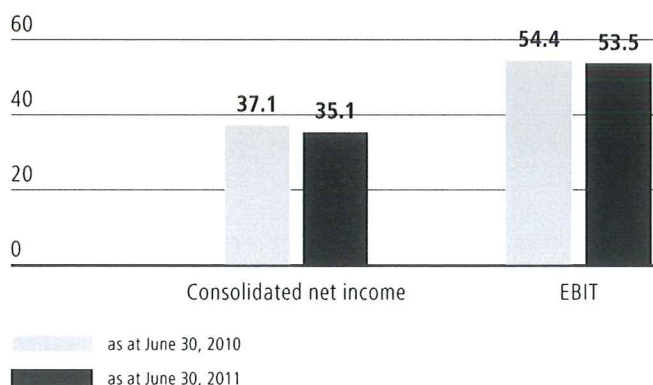
in EUR million and percent



In Germany, the largest market of the HARTMANN GROUP, sales revenues were EUR 288.1 million in the first half of 2011. This is an increase of 7.5% compared to the previous year. In Europe (excluding Germany) sales revenues rose by 4.4% to EUR 460.4 million, mainly due to the growth in the Eastern and Central European regions. In America sales revenues were EUR 33.8 million. The slight decline is due to the Euro's weakness against the U.S. dollar. The Africa, Asia and Oceania region saw strong growth in the first half of 2011. Here, sales revenues rose by 18.9% to EUR 63.1 million, particularly driven by sales growth in Australia as well as by Kneipp's subsidiary in Japan.

Development of consolidated net income and EBIT for the HARTMANN GROUP

in EUR million



Unfavorable economic environment affects results

In the face of the high national deficits, the public health systems continued to be affected by massive budget restrictions in the first half of 2011. The associated price pressure on manufacturers increased further. Moreover, raw material and logistics costs continued to rise substantially in the context of the overall economic recovery. As a result, the average cotton price rose by 125% to 4.27 U.S. dollars per kg in the first six months of 2011 compared to the previous year. The average price for a barrel of crude oil soared by 40% to 109 U.S. dollars compared with the same period last year. Transportation costs for container and truck freight hovered at a high level. The price increases implemented in our sales markets have not yet fully compensated for the rise in costs.

EBIT of the HARTMANN GROUP therefore declined by 1.7% to EUR 53.5 million as at June 30, 2011 compared to the previous year. The consolidated net income decreased by 5.4% to EUR 35.1 million.

Equity ratio continued on high level

The equity ratio was 48.7% as at the end of the first half of 2011. Net debt of the HARTMANN GROUP as at June 30, 2011 was EUR 221.8 million.

Employees

Number of employees slightly increased

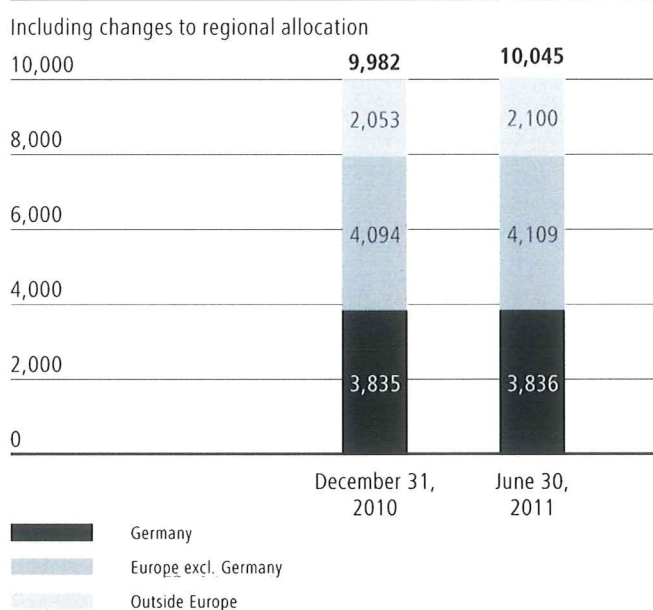
On June 30, 2011, the HARTMANN GROUP had 10,045 employees, an increase of 63 employees compared to the end of 2010. This change is mainly based on the expansion of manufacturing capacity in the KOB production company in Qingdao/China and of sales structures in the growing Russian market. 61.8% of the employees were working in foreign subsidiaries at the end of the first half of 2011.

The HARTMANN Share

Development of share price

On June 30, 2011, the HARTMANN share was listed at EUR 222.05 per share on the Open Market of the Frankfurt Stock Exchange, thus 5.5% below the end-of-year 2010 value (EUR 235.00 per share). Currently (July 25, 2011) the price is EUR 225.00 per share.

HARTMANN GROUP payroll



Outlook

Growth and profitability continue to remain the top priority of the HARTMANN GROUP in fiscal year 2011. With a product portfolio based on customer needs and added value services we are well positioned as an established brand-name company to be the preferred partner for an increasing number of customers worldwide. HARTMANN thus helps its customers to effectively support their medical and nursing processes and provide the best possible care for their patients.

However, we continue to expect great fluctuations in raw material and logistics costs as well as in currency exchange rates. The present debate about appropriate measures to solve the debt crisis in various national economies makes it difficult to give a concrete forecast on the economic environment for the HARTMANN GROUP. Price pressure from customers will continue. In this environment, we will rapidly move forward with our Efficiency Advancement Program HARTMANN 2011 to sustainably improve productivity in all areas of the company. Under an additional Stabilization of Results program, we have been reviewing all costs across the Group and introduced a large number of measures to stabilize results. Our efforts to raise market selling prices will continue to serve this goal. Considering all relevant factors, and in view of the counter-measures adopted, we expect the consolidated operating profit in 2011 to be at last year's level.