HARTMANN

Inform

Information for our shareholders
for the first half of 2019

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Dear Sir or Madam,

In the first half of 2019, we increased our sales revenues by 3.7% compared to the prior year period. All segments contributed to this growth. The Wound Management segment has developed particularly dynamically. Here we achieved growth that was well above the Group average thanks to innovative wound treatment concepts. KNEIPP Group's modern bath and body care products were another key driver behind the success.

We were able to achieve an EBIT of EUR 53.4 million in the first half of the year, representing a year-on-year decline of EUR 7.7 million and an EBIT margin of 5.0% (previous year 5.9%). The lower EBIT margin is mainly attributable to higher raw material cost. With various strategic measures to further develop our growth and earnings strength, we intend to sustainably counteract this rise in cost. We reaffirm our full year targets for 2019. Despite difficult underlying economic conditions, we continue to forecast a moderate sales growth along with an EBIT of between EUR 102 and 112 million. With an equity ratio of 56.1% as of the half year reporting date, our financial position continues to be solid.

We specifically invest in key technologies and innovations in order to create added value for our customers and to further strengthen our customer orientation. With last July's acquisition of Safran Coating, one of Europe's leading manufacturers of silicone coatings, we aim to strengthen our competitive position in the Advanced Wound Care business and offer an even wider and more innovative product portfolio.

HARTMANN has been shaping the history of medical care for over 200 years and has been a driving force on the market on many occasions. We will continue to do everything in our power to continue this tradition in a successful way.

Yours sincerely,

PAUL HARTMANN AG

Britta Fünfstück

Stephan Schulz

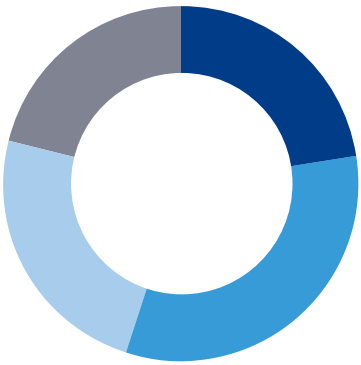
The HARTMANN GROUP, a leading international manufacturer of medical and hygiene products, takes a holistic approach to healthcare, placing emphasis on direct practical benefits for patients and the medical staff treating them. Maintaining close contact with users and consumers is fundamental to healthcare concepts that are innovative and successful over the long term. This is expressed in our brand promise of "Going further for health". At the core of our portfolio, we offer professional systems for wound treatment, incontinence care and infection prevention, supplemented by a range of consumer-oriented medical products as well as care and cosmetic products.

Key performance indicators of the HARTMANN GROUP as of June 30

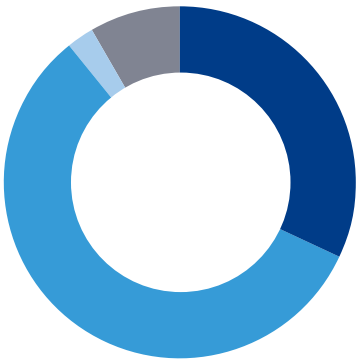
in EUR million Rounding discrepancies not balanced out	**2018**	**2019**	**Changes compared to previous year** absolute	 in %
Sales revenues	1,036.8	1,075.0	38.2	3.7
of which outside Germany in %	67.4	67.9		
EBITDA	94.0	100.2	6.3	6.7
Return on EBITDA in %	9.1	9.3		
EBIT	61.1	53.4	-7.6	-12.7
Return on EBIT in %	5.9	5.0		
Consolidated net income	41.0	35.9	-5.1	-12.6
Net return on sales in %	4.0	3.3		
Equity ratio in %	60.4	56.1	-4.3% points	-7.1
Net financial position	44.8	-23.7	-68.5	-152.8

Business Development in the first half of 2019

Share of total sales by business segment
in EUR million and percent



Share of total sales by region
in EUR million and percent



HARTMANN achieves moderate sales growth in the first half of 2019

The HARTMANN GROUP increased its sales revenues by 3.7% year-on-year to EUR 1,075 billion. All segments generated higher sales. The Wound Management segment developed particularly dynamically. Here the growth achieved was well above the Group average thanks to innovative wound treatment concepts. KNEIPP Group's modern bath and body care products were another key driver behind the success.

Prior-year sales exceeded in all segments

In the three medical core segments, sales exceeded the prior-year value by a total of 2.8%. Together they made up 79.1% (previous year: 79.9%) of group sales.

The Wound Management segment achieved a sales growth by 5.9% (organic growth: 5.8%) to EUR 242.3 million. This increase was mainly driven by superabsorbent wound dressings and modern wound treatment products as well as the innovative HydroTherapy treatment concept, both of which achieved high growth rates. The personal healthcare business, which is also assigned to this segment, achieved an organic growth by 1.5%.

In the Incontinence Management segment, sales increased to EUR 349.4 million, which corresponds with a change of +0.9%. Among other factors, organic growth by 1.1% was driven by an above average performance of MoliCare® Elastic and Pull-up.

Sales in the Infection Management segment increased by 2.5% to EUR 258.9 million. The strong performance was supported by the continued sales success of Sterillium® Med as the Group's core product for hand disinfection. With customized surgical sets and surgical gloves, the HARTMANN GROUP achieved solid sales growth in the first half of the year.

Sales in the Other Group Activities segment increased by 7.3% to a total of EUR 224.4 million. Organic growth of 7.0% is mainly driven by solid sales of the CMC Group's private-label products and the KNEIPP Group's bath and body care products. The KOB Group, global market leader for special medical textiles, also achieved an increase in sales.

Dynamic growth in European countries outside Germany

Sales growth in the European countries outside Germany was an important growth driver in the first half of the year. Overall, the European (without Germany) region achieved an increase in sales by 4.5%. As in the previous quarter, the above average increase in sales in the central European countries (without Germany) was 6.0% and benefited from positive exchange rate effects. In Eastern Europe sales were up by 4.3%, while sales growth in Western and Southern Europe amounted to 3.2%.

Northern Europe stood out with a double-digit growth. Sales growth in the regions Africa, Asia and Oceania exceeded the average sales growth achieved by the HARTMANN GROUP. Continuing price pressure in the hospital business and lower sales because of inventory reductions in pharmaceutical wholesale meant that Germany lagged behind the dynamics seen in non-domestic markets with a growth by 2.2%. The share of sales outside of Germany increased from 67.4% in the previous year to 67.9%.

Increasing raw material cost causes decline in EBIT

Earnings before interest and taxes (EBIT) of EUR 53.4 million (previous year: EUR 61.1 million) equate to an EBIT margin of 5.0% compared to 5.9% in the prior year period. The decline reflects the rise in the price of key raw materials, mainly cellulose. The effect was aggravated by an unfavourable exchange rate trend in the first six months compared to the prior year period. In addition, investments in distribution and administration also took their toll. The Group's net income declined by EUR 5.1 million to EUR 35.9 million. As planned, the net profit margin reached 3.3%, compared to 4.0% in the prior year period.

Sound financial position and equity base maintained despite decline in net financial position

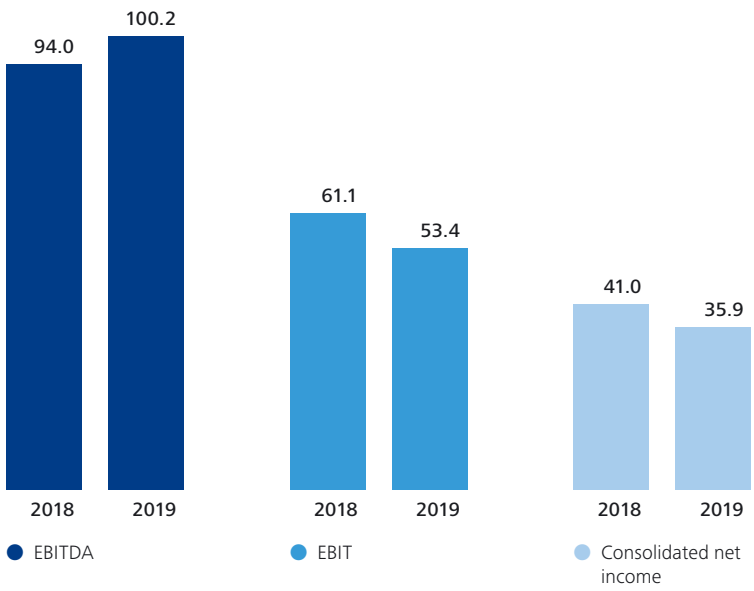
The net financial position of the HARTMANN GROUP declined by EUR 23.7 million (end of 2018: EUR 104.5 million) in the first six months of 2019. The main reason for this decline compared with the end of 2018 is the first-time adoption of the international accounting standard IFRS 16 and the associated obligation to recognize lease liabilities as financial liabilities in the balance sheet. The equity ratio declined by 4.3 percentage points to 56.1% as of 30 June 2019 due to a balance sheet extension compared to the previous year.

Slight increase in headcount

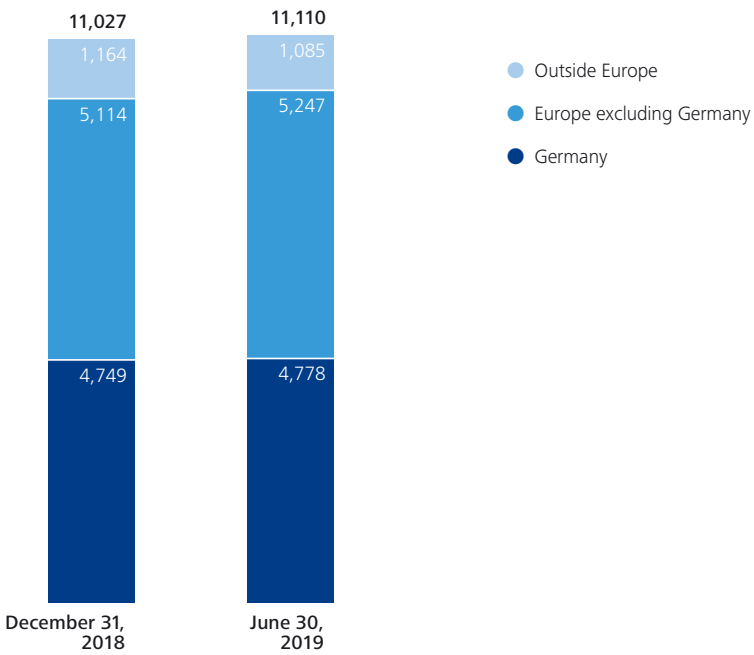
The number of employees increased slightly in the first half of the year across all Group locations. In total, the HARTMANN GROUP had 11,110 employees (end of 2018: 11,027). 43% of the total number of employees was employed in Germany and 57% abroad.

The increase in Europe was primarily driven by a headcount expansion at KOB Medical Services GmbH in Germany as well as the increase in production staff in the Czech Republic and additions to the sales team in France. The decline in staff numbers outside of Europe is mainly due to production-related adjustments in India and Australia.

Development of EBITDA, EBIT and consolidated net income of the HARTMANN GROUP as of June 30 in EUR million



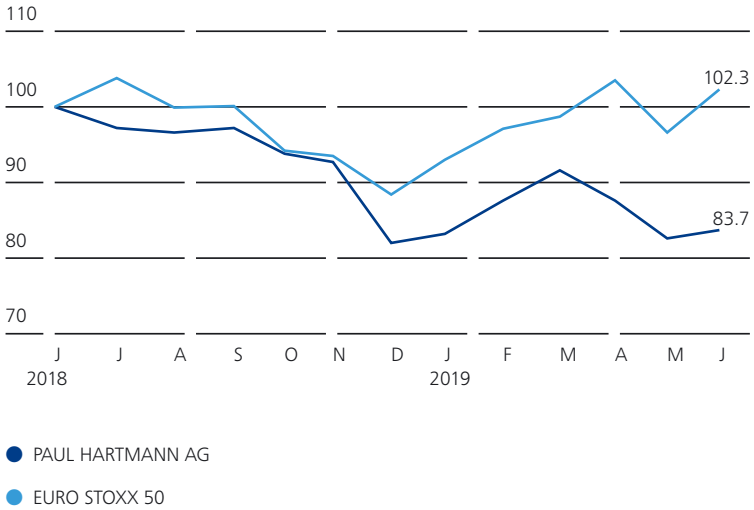
Number of employees of the HARTMANN GROUP



HARTMANN share

Performance of the HARTMANN share price compared to EURO STOXX 50

June 30, 2018 (= 100 percent) to June 30, 2019 in percent



Performance of the HARTMANN share
The closing price of the HARTMANN share on the Frankfurt Stock Exchange at the end of June 2019 was EUR 298 per share, EUR 6 higher than the year-end price for 2018 (EUR 292).

Basic information on the HARTMANN share

WKN	747404
ISIN	DE0007474041
Exchange	Frankfurt Stock Exchange
Segment	Open Market
Type of share	Registered unit shares held in collective safe custody
Capital stock	EUR 91.3 million
Number of shares	3,572,424 units, of which 20,682 units are held as own shares

Outlook

Full-year targets for 2019 confirmed
Despite the currently high prevailing macroeconomic risks, the outlook for the global healthcare industry remains positive overall. The increase in health spending in the developing countries and the growing need for care because of an ageing population, together with advances in therapy and technology, are all factors that enable an ever-growing, long-term demand for medical products. However, both opportunities and risks arise from the tightening of statutory and regulatory parameters, political decision-making as to the funding of healthcare systems and the developments on the currency markets.

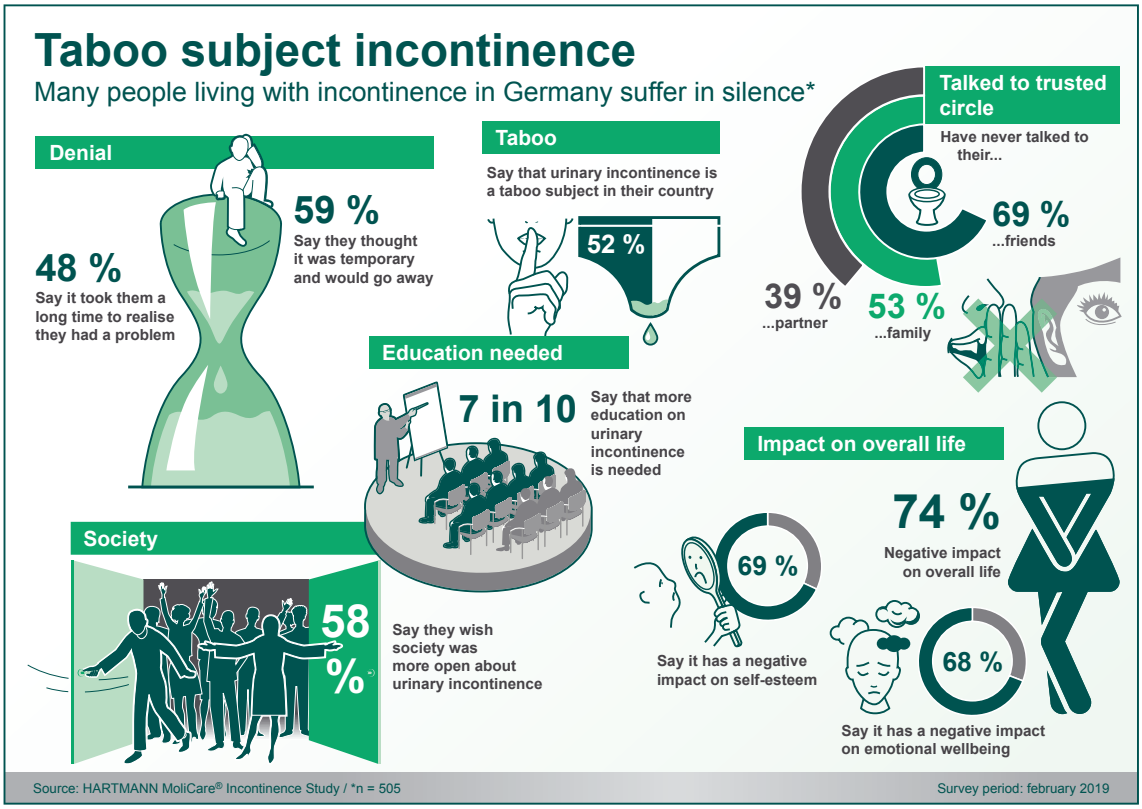
Another risk to the earnings situation is related to price movements on the raw material markets. Although the HARTMANN GROUP will not be able to completely escape these trends, it will continue to actively face them with hedging measures. In addition to this, increased regulatory costs caused by the implementation of the EU Medical Device Regulation (MDR) still persist.

In the second half of the year, one of the main focuses of the HARTMANN GROUP is to sustainably improve its cost position in the individual segments. This includes tapping existing potential in production and logistics. With innovations and digital business models, HARTMANN strives to create direct customer added value to strengthen its competitiveness and to achieve a continuing profitable growth.

After the positive sales development in the first six months, and carefully weighing up the opportunities and risks, the Group maintains its outlook for the full year 2019. The HARTMANN GROUP continues to expect moderate sales growth and EBIT of between EUR 102 million and EUR 112 million.

A European study and roadshow: Incontinence Management raises its profile in the end customer business

As a leading provider in the field of incontinence care, HARTMANN intends to enhance its profile in the end customer business by addressing consumers directly. To mark World Continence Week in June, the company published its European study entitled "Breaking the Silence". Its aim is to break the taboos associated with the issue of incontinence and expand HARTMANN's position as an opinion leader. The Bladder Weakness Consultation Days (Beratungstag Blasenschwäche) roadshow took place in spring and contributed to efforts to boost the end customer business by visiting various medical supply stores in southern Germany.



Breaking the Silence: HARTMANN's European incontinence study breaks existing taboos.

European study "Breaking the Silence" to mark World Continence Week

How do people feel when they experience incontinence for the first time? What prevents those affected from talking openly about it, even to their family or friends? The "Breaking the Silence" study conducted by HARTMANN provides answers to these and other questions. Over 2,000 people aged 45 and older who suffer from urinary incontinence and live in Germany, France, Czech Republic, Spain and Switzerland were interviewed.

Urinary incontinence is one of the most common medical conditions in the world, yet most of those affected by it have so far been suffering in silence. The "Breaking the Silence" study confirms the belief that a more open attitude by society towards the condition would be very helpful. This is also supported by the fact that over half of the respondents felt more confident and better supported after talking to their partner. The toll on the psychological well-being of those who openly talk about their incontinence was also much lower.

Impact of incontinence
74 percent of those affected say that it affects their everyday lives. 69 percent feel that it has a negative impact on their confidence levels. 68 percent feel psychologically impacted. "This feeling of psychological duress means that those affected experience a range of negative emotions such as shame, worry and insecurity," explains Dr. Chima Abuba, Head of HARTMANN Germany. Many of them impose restrictions on how they spend their free time and on their social life. In particular, they avoid sports, travelling or even engaging in sexual intercourse.

People suffering from incontinence are affected to varying degrees, depending on their country of origin. The level of suffering is most pronounced among Germans (74 percent) and French (73 percent). A feeling of shame, for example, is particularly common in France (61 percent), while only 32 percent of respondents from Spain are ashamed of their incontinence. Despite all the differences in dealing with the topic, one thing is common to everyone affected in the countries surveyed: They say that more education on urinary incontinence is needed.

Direct link to end consumers: the Bladder Weakness Consultation Days *(Beratungstag Blasenschwäche)* roadshow
In order to boost its own profile in the end costumer business, the business unit Incontinence Management and HARTMANN Germany organized a roadshow to provide information on dealing with bladder weakness in spring. The team visited medical supply stores in five cities in southern Germany with its MoliCare® mobile. The aim was to establish direct contact with end consumers on site and provide them with advice on the most suitable solutions. The event was able to generate interest among a large number of visitors and people affected by the condition, meaning that expectations were exceeded.

Strengthening the end customer business: On the road with the MoliCare® mobile to medical supply stores in southern Germany.

News from the HARTMANN GROUP

Strong trademark presence: KNEIPP logo on the jersey of 1. FC Heidenheim 1846 for the 2019/2020 season.

A new look for the 2019/2020 season: HARTMANN advertises the KNEIPP logo on the jerseys of the football club 1. FC Heidenheim 1846

As the main sponsor of the football club, 1. FC Heidenheim 1846, HARTMANN will be featuring the logo of its subsidiary KNEIPP on the team's new jerseys in the upcoming season. The aim is to strengthen the KNEIPP brand as an important pillar of the end customer business.

Back in April, at the spectacular quarter finals of the DFB Cup in the Munich Allianz Arena, players of 1. FC Heidenheim 1846 wore the KNEIPP logo on their chest for the first time. The jerseys were featured on camera several times during the game thanks to the fact that the team scored four goals against the Bavarians. The response from the web wasn't long in coming either: The trademark recorded a significant increase in hits and interactions with users on social media channels and on the KNEIPP website.

Greater visibility for KNEIPP

For HARTMANN as a long-standing main sponsor and partner of the Heidenheim-based club, one thing is certain: The company's successful cooperation with the club will be continued, ensuring that the subsidiary KNEIPP is more in the spotlight than before. The aim is to improve visibility of the consumer-oriented trademark and to boost the end customer business in the long run.

"Football is an excellent advertising environment to get people interested in a trademark. Among other things, KNEIPP addresses consumers with its bath and shower products – the change therefore made sense," explains Britta Fünfstück, CEO of PAUL HARTMANN AG.

HARTMANN remains a committed sponsor

Not only will the KNEIPP logo be featured on the jerseys of 1. FC Heidenheim 1846 in the future, but it will also be seen wherever there is a high media presence in the Voith-Arena. These include the press walls or the mixed zone, where the interviews take place after the matches. This will enable KNEIPP to have a significantly higher level of visibility for the general public in the future and will further strengthen its position as market leader in the bath and shower business. However, the role of HARTMANN as the main sponsor and partner of 1. FC Heidenheim remains unchanged. The name will continue to be present in and around the stadium, as well as in the HARTMANN youth training centre, thereby ensuring continued visibility on site.

HARTMANN wins the COMPRIX Awards for an excellent Sterillium® Protect & Care campaign

In May, the COMPRIX Awards were presented in Berlin for the most creative work in healthcare communication in German-speaking countries. With its germ campaign for Sterillium® Protect & Care, HARTMANN attracted the attention of consumers and pharmacists to the issue of disinfection in everyday life – and won gold twice for it.

Back in its quarterly report for the first quarter of 2019, HARTMANN reported on the successful launch of Sterillium® Protect & Care. The associated communication campaign has now been able to build on this: At the COMPRIX Awards – one of the leading awards for pharmaceutical and healthcare communication in the DACH region – the company won gold twice, receiving awards in the categories "Medical Technology, Medical Aids, Diagnostics" and "Multichannel" in the field of nonprescription and nonOTC preparations. The jury's verdict on HARTMANN's campaign sums it up nicely: The campaign is charming, humorous and cheeky – and thus outstanding as creative healthcare communication.

Award ceremony in Berlin – Risk of germs presented charmingly

The aim of HARTMANN's communication campaign was to maximize awareness of the issue of disinfection in everyday life. At the same time, the parties involved wanted to give the trademark a positive feel among end consumers and pharmacists. This was achieved in a charming way using an illustrated "trio of germs" to show the ubiquitous risk of germs with an unrelenting adversary in the form of Sterillium® Protect & Care. The ten different motifs that have emerged so far perfectly illustrate where bacteria, viruses and fungi actually lurk in everyday life.

On 24 May 2019, HARTMANN was awarded the seal of quality for excellence and creativity at a gala event at the theatre Tipi am Bundeskanzleramt in Berlin, finding itself in excellent company with a number of renowned prize winners this year such as STADA and Hexal.

HARTMANN's award-winning germ trio is available in more than ten different motifs.

Data protection information: quarterly information and annual report of PAUL HARTMANN AG

We automatically send you, the shareholders of the PAUL HARTMANN AG, various information to inform you about the performance of the HARTMANN GROUP and current market developments. This information includes, in particular, financial information, for example, the sending of quarterly information (particularly our shareholder magazine "Inform") and, where you have asked for this to be sent by post, the HARTMANN GROUP's Annual Report.

At the same time, an online version of the quarterly information is available to you on our website https://hartmann.info/en-corp/investor-relations/l/corp/investor-relations under the "Downloads" menu option and in the shareholder portal.

Should you no longer wish to receive the quarterly information and/or the annual report in future, please contact PAUL HARTMANN AG, Investor Relations, P.O. Box 1420, 89504 Heidenheim or via e-mail ir@hartmann.info. Should you wish only to receive quarterly information and/or the annual report electronically in future, again, please contact the address specified.

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Among the legal requirements, you may, at any time and without giving reasons for the same, object to any processing of your personal data for the purpose of sending the quarterly information and/or the sending of the annual report.

To do so, please contact PAUL HARTMANN AG, Investor Relations, P.O. Box 1420, 89504 Heidenheim or via e-mail ir@hartmann.info.

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PAUL HARTMANN AG, Data Protection Officer, Paul-Hartmann-Strasse 12, 89522 Heidenheim, datenschutz@hartmann.info.

For further data protection information, please see our website at
https://hartmann.info/en-corp/ir-dataprotection.

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This report contains forward-looking statements. Actual results may be different from the ones implied by the forward-looking statements. Rounding discrepancies not balanced out.

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