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Going further for health

Press release

Success achieved with well-known brands and innovative solutions

HARTMANN GROUP once again records profitable growth in 2015

Heidenheim, Germany - March 23, 2016 - The HARTMANN GROUP strengthened its position in 2015 as one of the leading providers worldwide of medical and hygiene products with a further increase in sales and earnings. Sales revenues rose by 4.2 % to EUR 1,941.0 million. Organic growth, without taking into account the effect of exchange rates, divestments and acquisitions, came to 4.0 % which was in line with expectations and once again above market growth. EBIT improved at an even greater pace, namely by 8.4 % to EUR 132.7 million. Consolidated earnings after taxes also far exceeded the previous year's figure, with a plus of 8.2 % to EUR 84.8 million.

Growth in sales in Germany and abroad – and across all segments

"Going further for health is our brand promise and we have put it into practice in all of our sales regions by being inventive and acting cost-effectively," says Chief Executive Officer Andreas Joehle. "The Group's key performance indicators reflect the success of our corporate strategy."

In the year under review, sales revenues in HARTMANN's Wound Management segment were up 5.2 % to EUR 425.1 million, corresponding to organic growth of 5.1 %. HARTMANN recorded double-digit sales growth with its HydroTherapy treatment concept for wounds that are difficult to heal, and with a system for negative-pressure wound therapy marketed under the Vivano brand name. In the category of post-surgical dressings, HARTMANN's long-standing success story continued. Meanwhile, in the growing personal healthcare market, it was notably thermometers that contributed to the rise in sales.

In the Group's Incontinence Management segment, sales went up 2.8 % to EUR 644.4 million. It was this segment, therefore, that once again posted the largest sales in the HARTMANN GROUP, accounting for 33.2 % of total revenues. Here, organic growth was 2.6 % which was higher than the previous year. In the 2015 financial year, HARTMANN succeeded in building on the previous year's dynamic performance with its MoliCare Mobile range by again achieving good growth in sales.

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Moreover, the company's skin care range, Menalind professional, designed especially for older persons' skin, continued to be very popular with customers.

In 2015 group-wide sales revenues in the Infection Management segment rose by 5.7 % to EUR 466.0 million, with organic growth amounting to 5.6 %. With regard to the company's range of products for holistic infection prevention, its customized complete surgical procedure sets and also its specific disposable sets for use in patient care achieved sound growth. Also, the range of disposable surgical instruments and the revamped range of surgical gloves were highly popular with customers. Moreover, HARTMANN reinforced the already strong market position of its product lines significantly through strategic initiatives for increasing hygiene compliance in the realm of hand and surface disinfection.

In its Other Group Activities segment, the HARTMANN GROUP generated sales totaling EUR 405.5 million. This equates to an increase of 4.0 % compared to the prior year. The segment comprises product ranges closely geared towards end-consumers and retail business, including among other things the healthcare brand Kneipp.

EBIT and Group earnings in line with expectations

Compared to the previous year, the HARTMANN GROUP succeeded in increasing EBIT by EUR 10.2 million to EUR 132.7 million. The return on EBIT thus went up from 6.6 % to 6.8 %. The rise in earnings is mainly due to the positive sales trend. Consolidated net income amounted to EUR 84.8 million, which is equivalent to an increase of 8.2 % compared to the previous year.

Financial scope broadened

As per expectations, the HARTMANN GROUP increased its net liquidity in the financial year now ended by EUR 33.8 million, bringing the figure to EUR 44.6 million as at year-end. Group equity rose by a total of EUR 68.7 million to EUR 759.1 million in the business year 2015. Given a slight increase in the balance sheet total, the equity-to-assets ratio rose from 55.4 % in the prior year to 59.4 % as at December 31, 2015.

Slight rise in the number of employees

At year-end 2015 the HARTMANN GROUP payroll came to 10,346 employees, which was 130 more than at the end of 2014. This moderate rise mainly came about in Germany and the European core markets.

Proposed dividend increase to EUR 6.70 per share

At the Annual General Meeting of Shareholders on May 13, 2016, the Management Board and Supervisory Board will propose that the dividend per share be raised from EUR 6.50 to EUR 6.70. Thus, shareholders of HARTMANN benefit from the company's positive development.

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Outlook

HARTMANN sees itself well equipped to maintain its profitable growth path and to take on the challenges presented by demographic change, the developments in emerging nations, and the changes in national healthcare systems. To secure organic growth HARTMANN is focusing specifically on investing in established and new markets, in order to strengthen its market position in key product ranges such as state-of-the-art wound treatment and infection prevention.

In its core medical business the HARTMANN GROUP will also continue to focus on acquisitions and strategic partnerships, with a view to expanding its portfolio sensibly while at the same time improving its market position in the sales regions.

There is expected to be high volatility again in the raw materials and currency markets in 2016 which HARTMANN will counter through appropriate hedging measures. In the medium and long term the further globalization of its business will help spread risks more broadly. HARTMANN also counters risks through sustainable efficiency improvement programs. Improvements already made to internal processes over the past few years are increasingly having a positive impact on the HARTMANN GROUP's earnings trend. The careful monitoring of all internal processes and of the associated cost of productivity reserves remains an ongoing task.

Chief Executive Officer Andreas Joehle comments as follows: "For the business year 2016, we assume that our priority programs and measures will have a positive impact on sales and earnings. Giving thorough consideration to all the influencing factors we are carefully optimistic that in 2016 we will achieve moderate growth in sales revenues and a slight rise in EBIT. On the basis of organic growth we plan to moderately improve the Group's net financial position."

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Management Board:
Andreas Joehle (Chairman/CEO). Dr. Raymund Heinen.
Michel Kuehn. Dr. Wolfgang Neumann. Stephan Schulz.
Chairman of the Supervisory Board: Fritz-Jürgen Heckmann

Registered Office Heidenheim
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in EUR million No adjustments made for rounding differences	**2014**	**2015**	Change compared to the previous year	
			absolute	in %
Sales	1,862.0	1,941.0	+79.0	+4.2
thereof, foreign portion in %	66.5	66.1		
Group earnings	78.3	84.8	+6.5	+8.2
Net profit margin in %	4.2	4.4		
EBIT	122.4	132.7	+10.2	+8.4
Return on EBIT in %	6.6	6.8		
Equity-to-assets ratio in %	55.4	59.4		
Financial position (net liquidity) as at Dec. 31	+10.8	+44.6	+33.8	+313.8
No. of employees as at Dec. 31 [1)]	10,216	10,346	+130	1.3
Dividend per share in EUR	6.50	6.70 [2)]	+0.20	+3.1

[1)] Excl. staff on parental leave and PAUL HARTMANN AG Management Board members

[2)] According to the dividend proposal

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About the HARTMANN GROUP

The HARTMANN GROUP is one of the leading providers of medical and hygiene products, with its core expertise being in wound treatment, incontinence care, infection prevention, surgical supplies and personal healthcare. With its head-quarters in Heidenheim, Germany and group companies worldwide, the company is in close touch with the global market. The HARTMANN GROUP achieved sales revenues of some EUR 1,941.0 million in 2015, with a workforce of just over 10,300 employees.

PAUL HARTMANN AG, which is based in Heidenheim, Germany, forms the heart of the corporate group. It is one of Germany's oldest industrial companies, having been originally founded as a textile factory by Ludwig von Hartmann in 1818. In 1873, the latter's son Paul Hartmann, began production of absorbent cotton wool and later the company evolved into the flagship of an expanding dressing materials industry worldwide. The HARTMANN GROUP encompasses not only numerous sales companies abroad but also, among others, BODE Chemie (Hamburg), Karl Otto Braun (Wolfstein), Sanimed (Ibbenbüren) and Kneipp (Würzburg).

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