HARTMANN

HARTMANN works with relief organisation CARE

Inform

Information for our shareholders for the third quarter of 2015

Dear Sir or Madam,

The HARTMANN GROUP continued its profitable growth in the third quarter of the current fiscal year. As of September 30, 2015, HARTMANN increased its worldwide sales revenues by 4.5% to EUR 1,435.8 million. EBIT rose by 9.5% to EUR 98.7 million in spite of the intense cost pressure in the health care markets. The consolidated net income was EUR 59.8 million, an increase of 4.7% compared to the previous year.

The increased sales of innovative and higher-margin products, focused investments in the markets and productivity improvements in internal processes significantly contributed to the positive financial performance. In addition, the HARTMANN GROUP has a solid financial base that is reflected in a high equity ratio and positive net financial position.

We also want to inform you of a change in the Management Board of PAUL HARTMANN AG. Dr. Felix Fremerey decided to leave the company at the end of August 2015 after nine successful years. We welcome Dr. Raymund Heinen, who succeeded Dr. Felix Fremerey as Chief Process Officer on October 1, 2015. Previously, Dr. Raymund Heinen was Chairman and CEO of Carl Zeiss Vision International, a world-leading manufacturer of eyeglasses. There he was able to successfully develop the company, strengthening its competitive position in the world market. He brings experience in lean manufacturing and supply chain management in particular.

We are convinced that a clear focus on meeting customer needs will continue to have a positive effect on the company's sales and earnings. More information on business development is provided in this brochure.

Yours sincerely,

PAUL HARTMANN AG

Andreas Joehle

Stephan Schulz

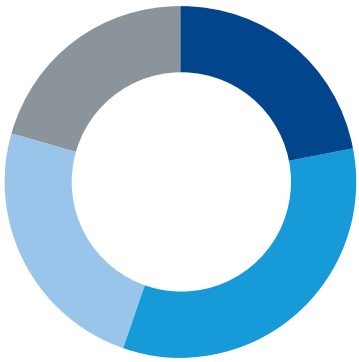
HARTMANN is a leading international manufacturer of medical and hygiene products. In a world where health is becoming an increasingly important matter and is managed more professionally, we offer our customers simple and effective solutions for the benefit of the patients. This is expressed in our brand promise of "Going further for health". Professional system offerings for wound treatment, incontinence hygiene and infection prevention form the core of our portfolio.

Key performance indicators of the HARTMANN GROUP as of September 30

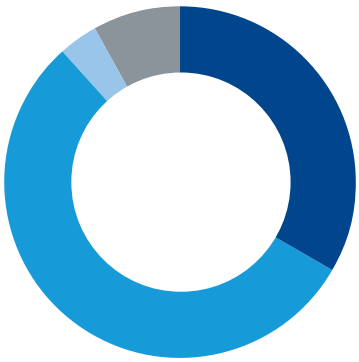
in EUR million	**2014**	**2015**	**Changes compared to previous year** absolute	in %
Sales revenues	1,374.4	1,435.8	61.4	4.5
of which outside Germany in %	66.8	66.6		
EBIT	90.1	98.7	8.6	9.5
Return on EBIT in %	6.6	6.9		
Consolidated net income	57.1	59.8	2.7	4.7
Net return on sales in %	4.2	4.2		
Equity ratio in %	54.5	56.4		
Net financial position	-19.4	19.6	39.0	–

Financial performance during the first three quarters of 2015

Share of business segments in total sales
in EUR million and percent



Share of regions in total sales
in EUR million and percent



HARTMANN grows in all business segments

In the first nine months of fiscal year 2015, the HARTMANN GROUP's global sales revenues increased to EUR 1,435.8 million. This is an increase of 4.5% compared to the previous year. The organic growth, excluding exchange-rate and acquisition effects, was 4.3%.

In the Wound Management segment, sales revenues increased by 5.8% to EUR 317.9 million as of September 30, 2015. The growth mainly resulted from double-digit sales growth of hydroactive wound care products and the Vivano negative-pressure wound therapy system. Sales performance of compression therapy products was also good.

In the Incontinence Management segment, HARTMANN increased its sales revenues by 2.8% to EUR 479.7 million as of the end of the third quarter of 2015. A particular contribution to this development was made by the incontinence pants offered under the MoliCare Mobile brand and Menalind, the skin-care range for the elderly with iritated skin.

In the Infection Management segment, sales revenues rose by 6.4% to EUR 344.2 million as of September 30, 2015. HARTMANN particularly benefited from good growth in hand and surface disinfectants, customised surgical sets and disposable surgical instruments.

The share of the medical core segments in total sales was 79.5% in the first nine months of the current fiscal year.

Other Group Activities recorded sales revenues of EUR 294.0 million as of September 30, 2015. This represents an increase of 3.6% compared to the previous year.

Good sales growth in the core market Germany

In Germany, sales revenues increased by 4.9% to EUR 479.2 million as of the end of the third quarter of 2015. In Europe excluding Germany sales revenues were EUR 790.2 million. The 3.2% increase is mainly due to good growth in the Central and Western/Southern Europe regions.

In the markets outside Europe, the HARTMANN GROUP increased its sales revenues by 9.5%. In the America region sales revenues increased by 8.2% to EUR 51.3 million as of September 30, 2015. In the Africa, Asia and Oceania region sales were EUR 115.1 million, an increase of 10.0% compared to the previous year.

EBIT and consolidated net income continued to improve

Sales growth of the HARTMANN GROUP had a positive effect on earnings in the first nine months of fiscal year 2015. However, rising prices for raw materials and goods traded in U.S. dollars impacted results. In addition, the significant expansion of marketing and sales activities in all business segments and continued price pressure from customers had an adverse effect on earnings.

Overall, the HARTMANN GROUP improved its results: EBIT increased by 9.5% to EUR 98.7 million when compared with the previous year. Consolidated net income improved by 4.7% to EUR 59.8 million.

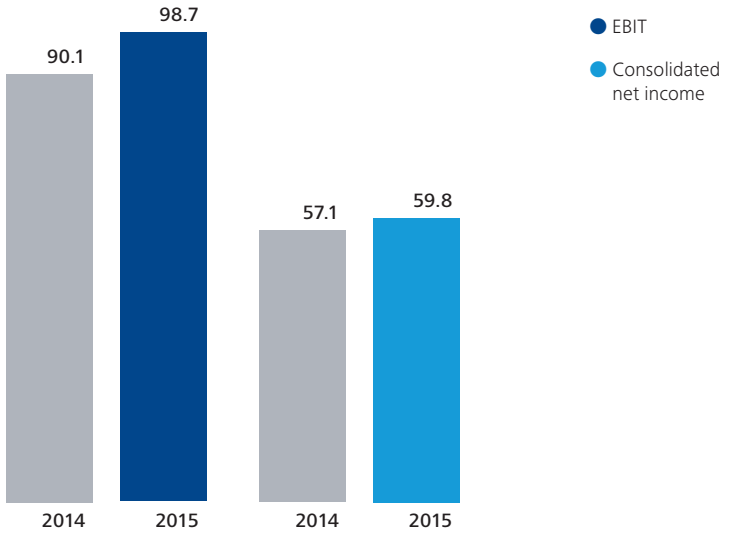
Continued solid financial footing

Net debt was reduced by EUR 39.0 million compared to the previous year. Therefore, the HARTMANN GROUP's net liquidity was EUR 19.6 million as of September 30, 2015. The equity ratio was 56.4% at the end of the third quarter of 2015.

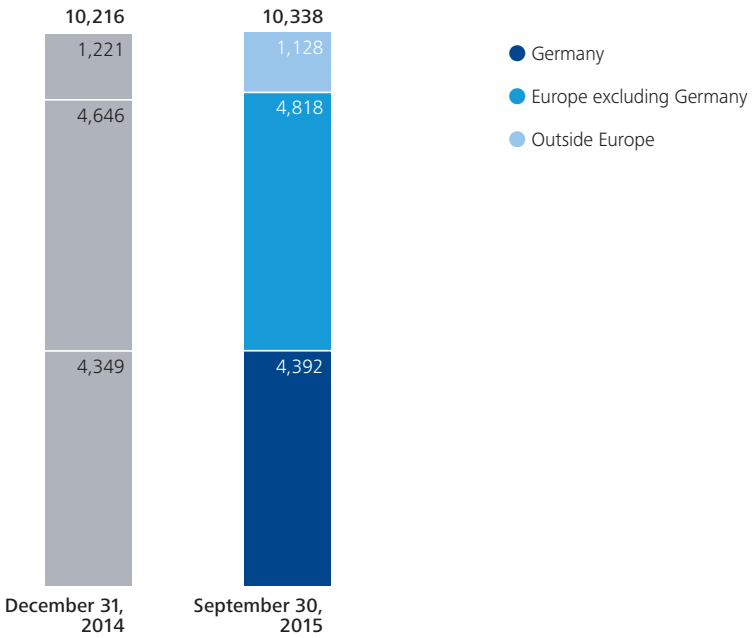
Number of employees slightly increased

As of September 30, 2015, the HARTMANN GROUP had 10,338 employees. This is an increase of 122 employees compared to the end of 2014. At the end of the third quarter of 2015, 42.5% of the employees were working in Germany, 57.5% in foreign operations.

Development of EBIT and consolidated net income of the HARTMANN GROUP as at September 30 in EUR million

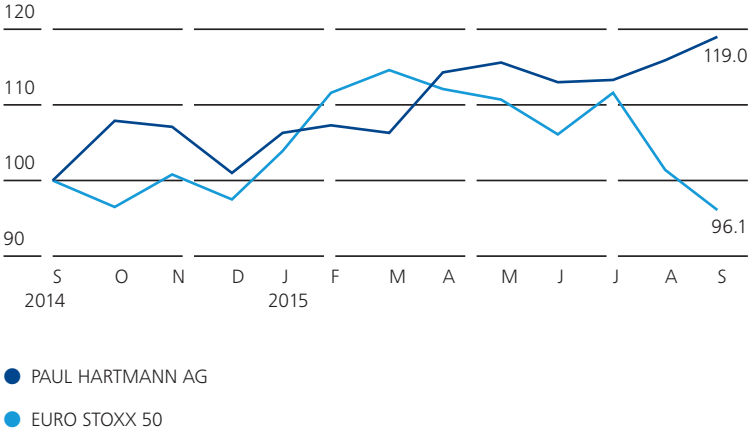


Number of employees of the HARTMANN GROUP



Performance of the HARTMANN share price compared to EURO STOXX 50

September 30, 2014 (= 100 percent) to September 30, 2015 in percent



Positive development of the HARTMANN share

The HARTMANN share was listed at EUR 374.98 per share at the end of September 2015, an increase from the end-of-year 2014 value (EUR 318.00) by EUR 56.98. The HARTMANN share price again reached an all-time closing high on September 11, 2015 at EUR 378.00 (September 30, 2015).

Basic information on the HARTMANN share

WKN	747404
ISIN	DE0007474041
Trading venue	Frankfurt Stock Exchange
Segment	Open Market (Entry Standard)
Type of share	Registered unit shares included in collective custody
Share capital	EUR 91.3 million
Number of shares	3,572,424 shares, of which 20,682 shares are treasury shares

Moderate increase in sales revenues and earnings expected

In light of opportunities presented by demographic changes and developments in emerging markets and risks related to changes in the national health systems, HARTMANN sees itself well positioned to continue its profitable growth.

We expect the high volatility in currency fluctuations to continue in the current year, which will create opportunities as well as risks for HARTMANN. In the short term, we manage currency risks through hedging against fluctuations. In the medium and long term, the continued internationalisation of our business will contribute to a wider sharing of risk. We also see volatility in raw material prices which makes forecasting difficult.

We make investments in established and new markets to support organic growth and to expand our market position in key areas such as modern wound care or infection prevention.

The HARTMANN GROUP continues to review potential acquisitions and strategic partnerships to add to its portfolio and strengthen its position in the markets. We continue to invest in companies we have included in Other Group Activities.

A permanent work programme continues to carefully watch all internal processes and associated costs to improve productivity.

For fiscal year 2015, we expect that our priority programmes will have a positive effect on sales and earnings. Considering all relevant factors, we are cautiously optimistic for the fiscal year 2015 that we will have a moderate increase in sales revenues and EBIT.

HARTMANN works with relief organisation CARE

To further promote health worldwide, HARTMANN has been working with the international relief organisation CARE in the field of health care since July 2015. In CARE the company found a partner that is equally committed to health care – consistent with the HARTMANN brand promise "Going further for health".

HARTMANN supports specific CARE projects in emerging and developing countries such as Bolivia.

With more than 10,000 employees, most of them local, CARE is dedicated to fighting poverty, hunger and disease in 90 countries.

The collaboration between HARTMANN and CARE is an example of the increasing frequency of partnerships between companies and non-profit organisations. The aim is to jointly search for solutions to major social problems that are not part of everyday business. Companies focus here on their image and their attractiveness as an employer or on new markets, while non-profit organisations benefit from transfer of know-how and insights into the world of business.

In the remote Andean region of Potosí, HARTMANN and CARE support projects that improve access to health care for indigenous people. This includes health care and hygiene training.

During the collaboration period, initially set for three years, HARTMANN will financially support specific CARE projects in emerging and developing countries such as Bolivia and Kenya. HARTMANN and CARE will improve access to health care and basic health services in the project areas by building health centres, training medical workers and raising awareness about hygiene practices and diseases.

In the first year of partnership, HARTMANN and CARE will work to promote access to health care for indigenous people in Bolivia. Little medical care is available for the numerous indigenous communities in the remote Andean area in the Potosí region. The health project deals with these problems and puts the focus of support on building three new health centres, renovating existing centres and providing health care and hygiene training for local health workers and people.

In spring 2016, HARTMANN will for the first time send selected employees to the region as volunteers to support health projects locally. Some images from locations where the corporate volunteers will work; here a health centre.

In addition to financial support, selected HARTMANN employees will travel to the project areas as corporate volunteers for the first time to actively support the project work. In September 2015, HARTMANN asked all employees across the company to engage in the activity – regardless of position, age, gender or place of work. The first three participants are expected to travel to Bolivia for about ten days in spring 2016, with others to follow in autumn 2016.

The participants will focus on improving local health conditions and serve as HARTMANN brand and project ambassadors. They will share their experiences on various company media with the aim to inspire their colleagues at home and share new ideas for health care improvements with others in the company.

News from the HARTMANN GROUP

Clearly structured new offices in the finance department.

Pur-Zellin® Box celebrates its 50th anniversary

It is one of the classic HARTMANN products and has been well known for 50 years among users and patients – the Pur-Zellin Box for storage and removal of cellulose swabs that are used after puncture or injection. In its 50th anniversary year, the striking container is being enhanced to meet the increased infection control and hygiene requirements for health care settings. The fresh visual appeal in the new HARTMANN design is intended to make the Pur-Zellin Box more visible in doctor's offices and treatment rooms.

The Pur-Zellin Box made of high-grade plastic now has a blue element attached to the top. It facilitates tearing off the swabs and allows them to be removed individually in a hygienic manner. It also acts as a barrier to protect the swabs in the box from germs. Used properly, the new box protects sterile Pur-Zellin swabs from contamination and germs after their removal from sterile packaging, as recommended by the Robert Koch Institute.

New offices for corporate finance

Openness, flexibility, transparency and fast response – these are the standards corporate finance employees set for themselves. They were provided with a suitable work environment in September. The new offices have a consistent design based on the site 2020plus concept used to gradually modernise offices in Heidenheim. This is part of an overall effort to further enhance corporate headquarters in the coming years.

The Pur-Zellin® Box with fresh design and optimised features. The blue element is new. It allows swabs to be removed individually in a hygienic manner and acts as a barrier to protect the swabs in the box.

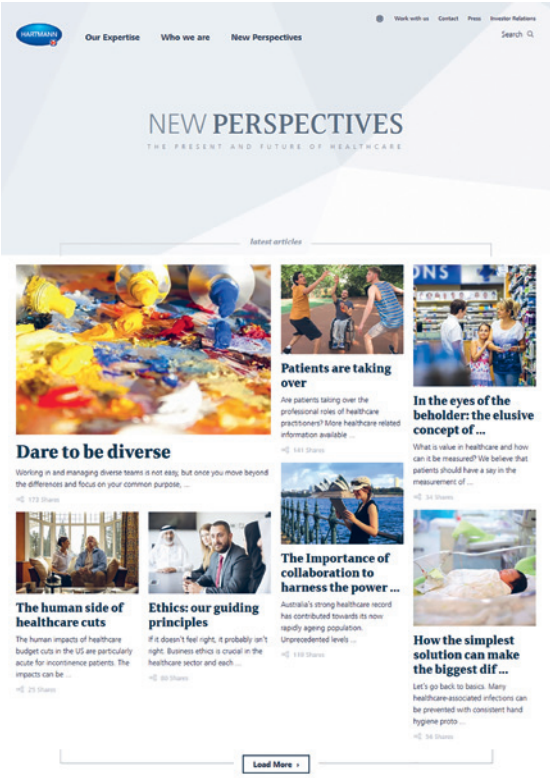
Talent Self-Nomination successfully completed

Talent management is an essential element of the global human resources function of HARTMANN. It supports the company's ambitious growth targets by finding and developing talent so that they can assume a key global role in the next two to three years.

The first international nomination process, launched at the beginning of this year, was completed in August. From 126 candidates, far more than initially expected, 16 people were chosen to participate in a newly designed talent development programme. All participants in the nomination process received individual feedback and were given a personal development plan. In the future, the nomination process will be conducted regularly by HARTMANN.

New platform for health care topics

On October 1, 2015, HARTMANN launched a platform called NEW PERSPECTIVES for its corporate website that focuses on trends in health care. It features short articles written by HARTMANN employees and external specialists, which are intended to generate discussion. The articles examine the challenges facing the health care system and companies like HARTMANN and cover a wide range of topics. NEW PERSPECTIVES is intended to highlight HARTMANN's leading position in the health care market. More details at http://newperspectives.info



The NEW PERSPECTIVES platform expresses HARTMANN's brand promise of "Going further for health".

Working with customers and experts to move health care forward

Connecting with customers and specialists in the medical and nursing sector around the world is a key success factor for HARTMANN.

Bace Comércio Internacional Ltda., a HARTMANN company, had a stand at the 31st Brazilian Congress for Surgery in August, which was attended by more than 4,000 physicians. The congress included topics such as the use of negative-pressure therapy to treat abdominal wounds.

The 4th Congress of the Vivano Competence Network, held in Stuttgart/Germany last September, provided a forum for about 200 doctors from 16 countries to exchange information on the Vivano negative-pressure wound therapy system. The Competence Network is open to doctors from various fields who wish to further develop the HARTMANN therapy system.

In Russia, working with a partner organisation, HARTMANN offers an educational programme called "Sepsis Forum" that focuses on improving hospital hygiene and infection control. The events take place in various Russian cities and are designed for doctors and nurses. So far, more than 800 health care professionals have participated in the programme.

HARTMANNplus opened in Slovenia

PAUL HARTMANN Adriatic d.o.o. opened its new medical education centre HARTMANNplus with a special shop in Ljubljana on September 24, 2015. Numerous business partners and media representatives attended the opening. HARTMANNplus provides a platform for quality products from HARTMANN. It also facilitates interaction between Slovenian market participants. Experienced independent professionals provide training and education to nurses and caregivers.

Politics and art at the HARTMANN Berlin Meeting

Once a year, the HARTMANN Berlin Meeting, held every two months, focuses on contemporary art. This year, the Berlin office shows works by the Berlin artist Uta Zaumseil. Andreas Joehle, HARTMANN CEO, members of the Bundestag and their aides as well as representatives from ministries, health insurance companies, associations and the media attended the exhibition's opening on September 23. The HARTMANN Berlin Meeting provides an important platform for dialogue on health policy issues.

HARTMANN

Going further for health

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The pictures in the report about CARE are from CARE.
Status as of November 3, 2015
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.

Performance of the HARTMANN share price
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