HARTMANN

Inform

Information for our Shareholders
on the First Half of 2015

Dear Sir or Madam,

In the face of increased cost pressures, the health systems have to deal with global challenges. These cannot be solved through individual measures, but call for a holistic approach that integrates all parties involved in health care to the benefit of patients.

HARTMANN offers a wide range of integrated solutions and evidence-based product systems that can help improve health care processes, including treatment of hard-to-heal wounds, reduction of nosocomial infections or improvement in the quality of life of incontinent people.

Together with our customers, we are on a path of sustainable growth in existing and future markets, providing cost-effective solutions focused on patients' needs.

The HARTMANN GROUP continued to deliver above-market growth in the first half of fiscal year 2015. As at June 30, 2015, HARTMANN increased its worldwide sales revenues by 5.0% to EUR 955.1 million.

Compared to the previous year, EBIT increased by 9.9% to EUR 66.3 million, with overproportional growth compared with sales. Consolidated net income rose by 3.8% to EUR 40.5 million. In addition, HARTMANN has a solid financial base that is reflected in a high equity ratio and positive net financial position.

More information on business development is provided in this brochure.

Yours sincerely,

PAUL HARTMANN AG

Andreas Joehle

Stephan Schulz

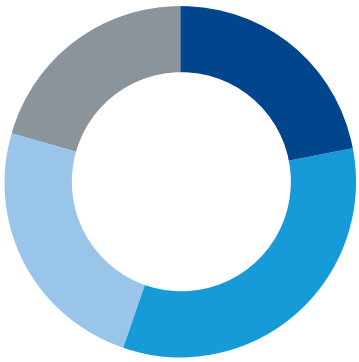
HARTMANN is a leading international manufacturer of medical and hygiene products. In a world where health is becoming an increasingly important matter and is managed more professionally, we offer our customers simple and effective solutions for the benefit of the patients. This is expressed in our brand 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

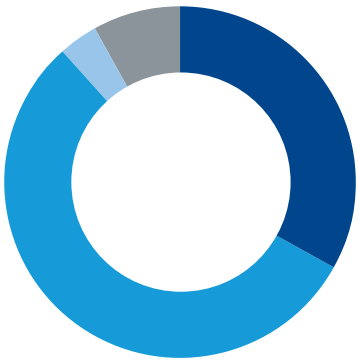
in EUR million Rounding differences not settled	**First Half 2014**	**First Half 2015**	**Changes compared to previous year** absolute	 in %
Sales revenues	909.5	955.1	45.6	5.0
of which outside Germany in %	67.1	66.9		
EBIT	60.3	66.3	6.0	9.9
Return on EBIT in %	6.6	6.9		
Consolidated net income	39.1	40.5	1.5	3.8
Net return on sales in %	4.3	4.2		
Equity ratio in %	53.7	56.1		
Net financial position	-61.9	6.1	68.0	–

Business Development in the First Half 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



Infection Management again the fastest growing segment

In the first six months of fiscal year 2015, the HARTMANN GROUP achieved global sales revenues of EUR 955.1 million. This is an increase of 5.0% compared to the previous year. Organic growth excluding exchange-rate and acquisition effects was 4.3%. According to our calculations, the global market for medical devices, relevant to our products, is growing at 2 to 3% a year.

In the Wound Management segment, sales revenues increased by 6.5% to EUR 210.4 million as at June 30, 2015. The growth mainly resulted from sales of hydro-active wound care products and the Vivano negative-pressure wound therapy system. Sales performance of compression therapy products was also positive.

In the Incontinence Management segment, sales revenues were EUR 317.7 million in the first six months of the fiscal year, an increase of 2.8%. MoliCare Mobile, the incontinence pants for mobile patients, and Menalind professional, the skin-care range for irritated, mature skin, delivered a good sales performance.

Sales in the Infection Management segment improved by 7.0% to EUR 233.0 million in the first half of 2015. HARTMANN particularly benefited from good sales growth of hand and surface disinfectants. Disposable surgical products also showed strong growth.

The share of the medical core segments in total sales was 79.7% as at June 30, 2015.

Other Group Activities recorded sales revenues of EUR 194.0 million as at June 30, 2015. This is an increase of 4.9% compared to the previous year. The Kneipp Group in particular contributed to this growth.

Strengthened position in Germany by delivering solid sales growth

In the core market Germany, sales revenues increased by 5.6% to EUR 316.4 million as at the end of the first half of 2015. In Europe excluding Germany sales revenues were EUR 529.3 million. The 3.6% increase is mainly due to good growth in the Central Europe and Western/Southern Europe regions. As at June 30, 2015 HARTMANN achieved double-digit growth in markets outside Europe: In the America region sales revenues increased by 11.0% to EUR 34.8 million. In the Africa, Asia and Oceania region sales were EUR 74.6 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 six months of fiscal year 2015. However, rising prices for raw materials and goods traded in U.S. dollars and continued high price pressure from customers impacted results. In addition, HARTMANN invested in the expansion of marketing and sales activities in all business segments.

Overall, the HARTMANN GROUP improved its results: EBIT increased by 9.9% to EUR 66.3 million as at June 30, 2015 compared to the previous year. Consolidated net income improved by 3.8% to EUR 40.5 million.

Net liquidity with continued high equity ratio

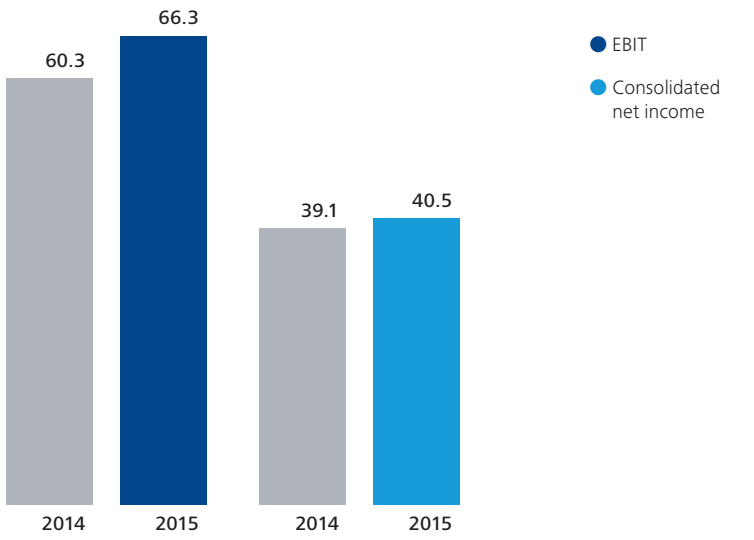
Net debt was reduced by EUR 68.0 million compared to the previous year. Therefore, the HARTMANN GROUP's net liquidity was EUR 6.1 million at June 30, 2015. The equity ratio was 56.1% at the end of the first half of 2015.

Number of employees almost unchanged

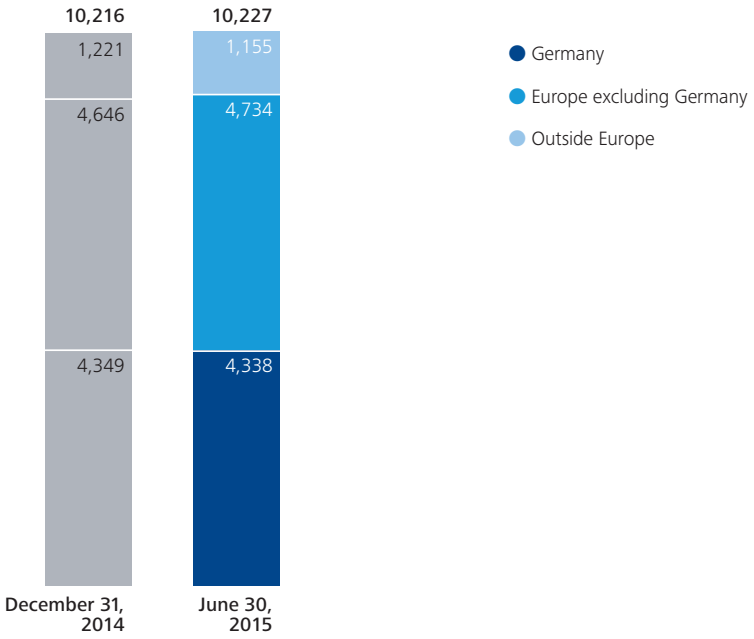
On June 30, 2015, the HARTMANN GROUP had 10,227 employees. This is an increase of 11 employees compared to the end of 2014. The increase is primarily due to market growth in Europe and adjustment to the number of employees in manufacturing and sales functions. Outside Europe, the number of employees decreased due to further changes in production capacity in China.

At the end of the first half of 2015, 42.4% of the employees were working in Germany, 57.6% in foreign operations.

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

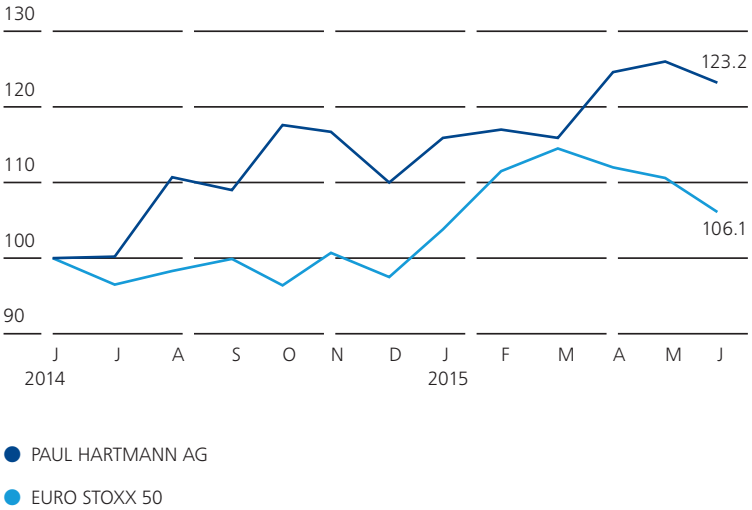


Number of employees of the HARTMANN GROUP



Performance of the HARTMANN share price compared to EURO STOXX 50

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



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

Positive development of the HARTMANN share

The HARTMANN share was listed at EUR 356 per share at the end of June 2015, an increase from the end-of-year 2014 value (EUR 318) by EUR 38. The HARTMANN share price reached an all-time closing high on April 21, 2015 at EUR 378.

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 the 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.

Great show of HydroTherapy

An innovative marketing and treatment approach used by HARTMANN to set new standards, especially in the treatment of complex, hard-to-heal and chronic wounds – this is HydroTherapy. With this innovative therapy concept, wounds can be effectively treated with just two products, from cleansing to final healing of the wound. HydroTherapy is intended to help HARTMANN take a world-leading role in the modern wound care market by 2020. In the first half of 2015, the therapy concept was introduced in more markets and presented to many customers at national and international exhibitions.

HydroTherapy has been designed especially for the efficient treatment of complex wounds and includes two products perfectly attuned for each other: HydroClean plus for wound cleansing and optimal preparation of the wound bed and HydroTac for wound closure. Both products actively promote and enhance the healing process. Optimal wound healing is achieved in only two steps, and the number of products needed for wound treatment is minimized. This facilitates prescriptions and promotes safe use.

The HARTMANN stand at the conference of the European Wound Management Association (EWMA) in London.

Two hostesses wearing dressing-shaped hats were drawing the visitors' attention to HydroTherapy.

With the introduction and marketing of two products as a single therapy concept, HARTMANN raises its awareness and visibility in wound therapy and intends to increase its market share in modern wound care. HydroTherapy was launched in 2015 in a number of European countries using a systematic approach, accompanied by a consistent sales and marketing strategy. Before that HydroTherapy had been in test markets for two years, performing extremely well.

This year, too, the HARTMANN stand was the meeting place for experts from the Vivano competence network.

HARTMANN showed its HydroTherapy concept at the conference of the European Wound Management Association (EWMA), which was held from May 13 to 15, 2015 in London. Nearly 4,000 international experts, doctors, nurses and company representatives from the field of wound management attended the conference. At the HARTMANN stand, visitors also had the opportunity to see the Vivano negative-pressure wound therapy system, another key component of modern wound care from HARTMANN.

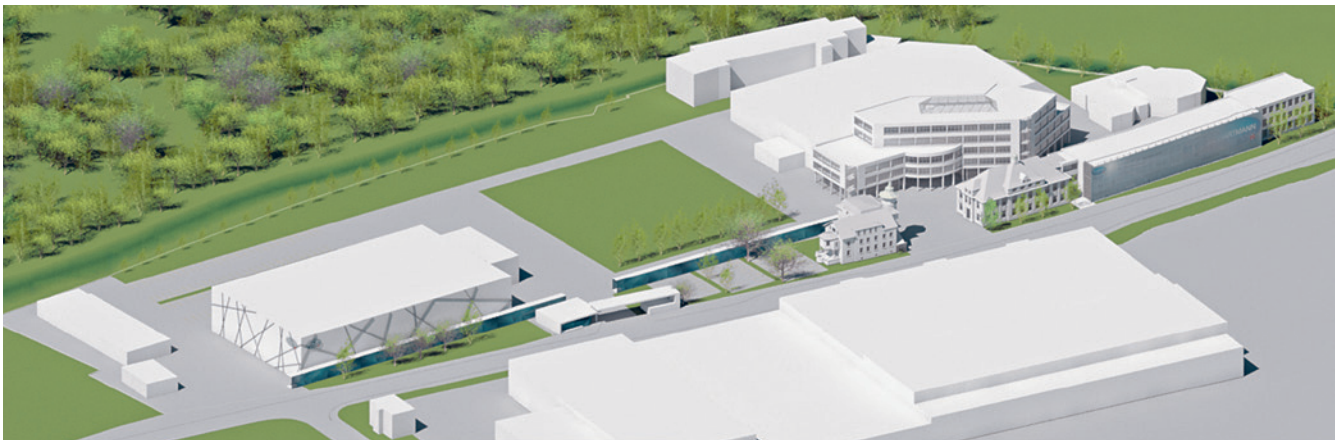
Scientific exchange on wound care and the presentation of products were a main focus of the HARTMANN programme. A scientific symposium organized by the company dealt specifically with the phase of wound closure and possible therapies. In addition, case studies highlighting HydroTherapy application benefits were presented. This year, too, the HARTMANN stand was the meeting place for experts from the Vivano competence network, where the company works closely with opinion leaders and customers.

From May 6 to May 8 2015, the German Wound Congress and Bremen Nursing Congress served as a platform for the first public presentation of the HydroTherapy concept in Germany. Under the motto "Wound care is not easy. But we make it as easy as possible", HARTMANN's programme focused on bringing HydroTherapy to the German market and on presenting the Vivano negative-pressure wound therapy system and an indication-specific consulting approach to hospital wound specialists.

With HydroTherapy, only two products are used to treat complex, hard-to-heal and chronic wounds: HydroClean plus for wound cleansing, HydroTac for wound closure.

HARTMANN had a busy stand at the German Wound Congress and Bremen Nursing Congress.

News from the HARTMANN GROUP



This is what the new headquarters will look like by around 2020. Unused and dilapidated buildings are torn down. For example, demolition of the former bleaching plant began at the end of June 2015. It will be replaced with green space that will allow for further development of the site.

Heidenheim site development enters next phase

HARTMANN makes its Heidenheim corporate headquarters site fit for the future. The goal is to create the conditions for sustainable growth of the company by providing a modern infrastructure. Dynamism, transparency and innovation are HARTMANN's key factors of success, which are also reflected in the plans for the corporate headquarters. The site 2020+ project focuses on office modernisation, work process streamlining and initiatives such as recreation areas, green spaces and attractive gastronomic concepts. The objective behind the measures is sustainable upgrading of the site, taking economic, ecological and social considerations into account. This also helps position HARTMANN as an attractive employer.

50 years of Sterillium – Pioneer of modern hand disinfection

50 years in the market and most relevant and sought-after today: Sterillium, which resulted from close collaboration between the Hamburg University Hospital and the research department of the Hamburg-based Bacillolfabrik Dr. Bode & Co., which today is part of the HARTMANN GROUP, set new standards. For many users, Sterillium has become a synonym for reliable hand disinfection. The world's first marketable alcohol-based hand disinfectant has made hand disinfection safer, more efficient and more gentle on the skin. This classic product in a blue bottle is now used in more than 50 countries around the world. Over three billion hand disinfections are carried out with Sterillium products annually.

HARTMANN not only provides customers with highly effective hand hygiene and infection control products such as Sterillium, but also offers e-learning tools and an app to improve hand hygiene behaviour. The app helps users document and analyse hand hygiene compliance. More information about Sterillium is available at www.sterillium.com

Sterillium in 1965 and today: For many customers, the classic product from HARTMANN has become a synonym for reliable hand disinfection.

First VivanoDays in Barcelona

The first VivanoDays, a scientific journey organised by Laboratorios HARTMANN S.A., took place in Barcelona from June 15 to 16. 36 experts in Negative Pressure Wound Therapy (NPWT) from various disciplines of medicine and surgery attended the conference, looking at wound case studies. The event was intended to provide a forum for sharing experiences and optimizing patient outcomes and health economics. The presentations had a similar approach: NPWT is a practice that accelerates wound closure and effectively reduces associated costs of treatment and hospitalisation. Conference participants also stressed the need to manage and control therapy-related processes. With a monitoring and tracking platform, HARTMANN can offer support here, as was shown in a presentation highlighting the use of this platform in a hospital.

Top managers from hospitals and social care facilities attended the sixth Healthcare Conference in Prague

Organised by HARTMANN-RICO, the sixth Healthcare Conference took place in Prague on May 28 and 29. It brought together HARTMANN executives and high-ranking representatives from the Czech healthcare sector, among them top managers of hospitals and social care facilities, politicians and experts on health care and social policy. The Czech Republic is a key manufacturing base in the HARTMANN GROUP and the springboard to market opportunities in Middle and Eastern Europe. That is why HARTMANN aims at developing long-term partnerships with key players in the Czech healthcare sector.

Doctor of human medicine holds Paul-Hartmann endowed professorship

Health and innovative health care solutions drive the international business of HARTMANN. The company therefore maintains a professorship at the Dual University of Baden-Württemberg in Heidenheim. Kirsten Brukamp, a doctor of human medicine, took up the professorship in May 2015. The aim of the professorship is to educate future experts and managers in the growing field of health care.

Apprentices and students from PAUL HARTMANN AG expressed their experiences from the YoungTalents junior company's first short fiscal year in a play.

YoungTalents junior company successfully completed its first short fiscal year

For the first short fiscal year, which ran from June to December 2014, the YoungTalents junior company reported operating results of EUR 4,000. The two managing directors presented the financial results to press representatives and HARTMANN employees in Heidenheim on April 29, 2015. With its junior company, HARTMANN makes sustainable investments in training young talent in the company.

HARTMANN donates for earthquake victims in Nepal

As a manufacturer of medical and hygiene products, HARTMANN is conscious of its social responsibility and helps natural disaster victims by donating medical supplies wherever possible. When an earthquake rocked Nepal in April 2015, HARTMANN provided 10 pallets of surgical products and drapes, which were delivered to Kathmandu by a Heidenheim-based aid organization.

PAUL HARTMANN AG again honoured for its family friendliness

On June 29, 2015, PAUL HARTMANN AG again received the "audit berufundfamilie" certificate for its family-friendly HR policy from berufundfamilie gGmbH. It is valid for another three years. The certificate was given to HARTMANN for the first time in 2012. The award enhances HARTMANN's attractiveness as an employer in the labour market and helps increase employee loyalty.

Zertifikat seit 2012
audit berufundfamilie

HARTMANN

Going further for health

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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.

Performance of the HARTMANN share price
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