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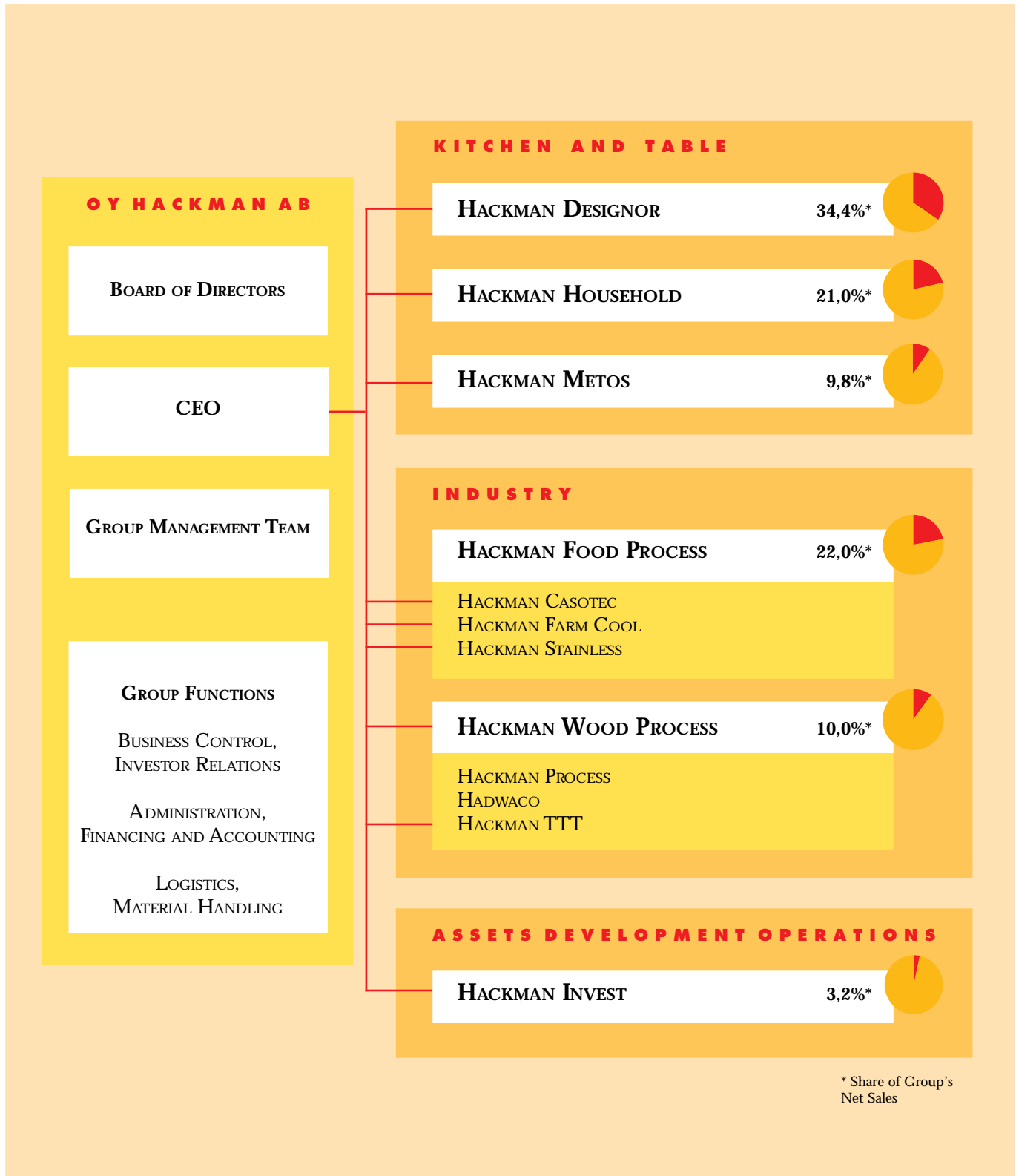
HACKMAN IS A PUBLICLY LISTED FINNISH COMPANY FOUNDED BY THE GERMAN JOHANN FRIEDRICH HACKMAN IN 1790.

TODAY HACKMAN IS A DIVERSIFIED INTERNATIONAL GROUP WHICH PRODUCES AND MARKETS BRANDED KITCHEN AND TABLETOP PRODUCTS FOR CONSUMERS AND PROFESSIONAL KITCHENS, AS WELL AS STAINLESS STEEL NICHE PRODUCTS FOR INDUSTRIAL CUSTOMERS.

HACKMAN'S DOMESTIC MARKETS ARE IN THE NORDIC COUNTRIES.

THE GROUP FOCUSES ITS RESOURCES ON CORE SECTORS WHERE IT CAN ACHIEVE A LEADING POSITION IN THE NORDIC COUNTRIES AND EUROPE.

GROUP STRUCTURE



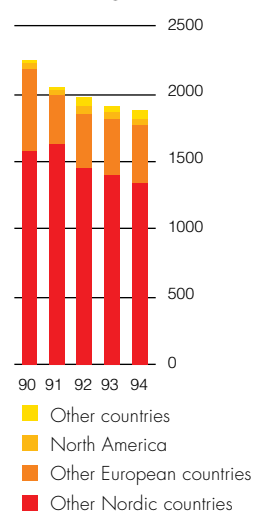
1994 IN BRIEF

- * *The Group continued the restructuring and development of its core businesses*
- * *Hackman Meka was divested and Metos acquired*
- * *The Group's main markets in Finland and Sweden remained weak*
- * *The Group's earnings rose and its unrestricted equity and solvency improved*
- * *Designor's financial performance improved to profitable*
- * *Food Process' financial performance was unprofitable*
- * *Hackman went public*

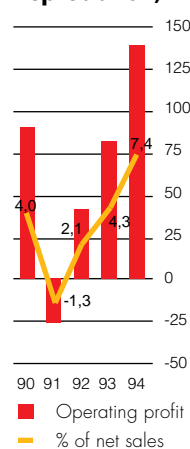
		1994	1993	Change	%
Net sales	FIM million	1 873	1 911	- 38	- 2,0
Outside Finland	FIM million	1 142	1 273	- 131	- 10,3
Operating profit after depreciation	FIM million	139	83	+ 56	+ 67,2
Share of net sales	%	7	4	+ 3	
Profit before extraordinary items	FIM million	81	19	+ 62	+ 331,8
Share of net sales	%	4	1	+ 3	
Gross investments, FIM million	FIM million	186	122	+ 65	+ 53,2
Balance sheet total	FIM million	2 123	2 040	+ 83	+ 4,1
Earnings per share (EPS)	FIM	13.27	1.01	+ 12.26	
Dividend/earnings	%	15	149	- 134	
Return on investment (ROI)	%	10	7	+ 3	
Return on equity (ROE)	%	8	1	+ 7	
Equity ratio	%	37	34	+ 2	
Number of personnel, December 31		3 485	3 406	+ 79	+ 2,3
Outside Finland		1 611	1 648	- 37	- 2,2

For a complete list of key figures see pages 27 and 43.

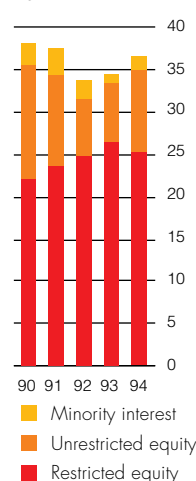
**Net Sales,
FIM million**



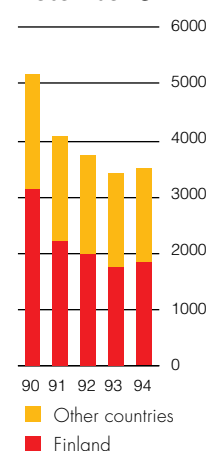
**Operating Profit after
Depreciation, FIM million**



**Equity Ratio,
%**



**Personnel
December 31**



"WE WILL INVEST IN PRODUCT DEVELOPMENT AND FOCUS OUR RESOURCES ON STRATEGIC PRODUCTS"

Strategic Development

Finland, Sweden and Austria finished off 1994 by becoming full members of the European Union. These were important decisions for these countries as well as for the Hackman Group. We believe that EU membership will eventually expose Hackman to a host of new business opportunities.

Hackman's objective is to take a leading position on markets which are unstructured and where we have superior know-how. We take aim first at market leadership on our domestic markets in the Nordic countries and then in Europe. On world markets we want to compete as a niche player with a specialized range of products.

We will continue to focus Group operations on fewer, but larger core business areas. For this reason we sold the Hackman Meka and Finnkeg operations to the Swiss Franke Holding AG. Franke is a world leader in the sink and basin business and is expanding rapidly in the beer keg segment.

We created a powerful new company in Hackman Metos with the merger of Hackman Professional Kitchens Oy Ab and the Instrumentarium owned Metos Oy. Hackman owns 60% of the new company and Instrumentarium 40%. Following its establishment, Hackman Metos strengthened its market position with the acquisition of the Finnish Stala Oy's professional kitchen fixtures and furnishings operations.

Financial Development

In general, global economic conditions were reasonably good this year. The Finnish and Swedish export industries have received a substantial amount of new orders. This in turn has increased the pace of export industry investment. The Hackman Group's industrial sector companies received a significant amount of orders at the year end as a result of this trend. However, incoming orders and invoicing activities were weak at the beginning of the year. The price of stainless steel, the most important raw material of Hackman, rose more than anticipated. Our financial performance development was negative during the first half of the year, but became profitable during the autumn.

Our consumer product units faced a situation where our domestic markets in Finland and Sweden remained weak as a consequence of high unemployment and general economic uncertainty. In spite of these poor conditions our consumer product businesses were able to increase their market shares and improve their financial performance.

Product Development is Priority One

As we see it the worst is now behind us as far as the recession is concerned. For this reason we will now focus our resources on efforts to generate organic growth and on increasing earnings. We will aim at increasing volumes by focusing on our strategic products while at the same time reducing the number of products in our range. This concept will become our number one priority in our future product range.

A good example of this kind of thinking within Hackman Designor is the James Cook cookware concept which was launched in Finland in the

autumn of 1994. On the glass side the concept was evident in the launch of our new Toikka birds. These products supported and stimulated interest in Iittala's products on both domestic and export markets.

Public consciousness regarding environmental protection issues is continuously increasing. Hackman House-

"We have every reason to be optimistic. We expect our operations to show positive development".

hold has taken important steps in this direction in its product development with its Mini Risk and Tend range. The composition of these products is ecologically friendly and we have been

granted the right to use the Nordic Swan Mark of environmental sensitivity as a result. This mark in turn opens the way into Nordic distribution channels.

Interesting development work is also underway within our industrial sector. One example is the Hadwaco project with its patented waste water treatment system. This project has a

lot units under normal operating conditions.

Hackman Goes Public

At the beginning of June Hackman's A shares were listed on the Helsinki Stock Exchange. This move was a logical continuation of the Group's public listing which began on the OTC market in

development projects while maintaining a healthy level of liquidity, raising its unrestricted equity and improving its solvency.

Prospects for 1995

In February, 1995 Hackman Metos Managing Director Juhani Kujala was appointed Corporate Development Director in charge of coordinating Group logistics and material management. Hackman Designor Managing Director Michael Ramm-Schmidt was appointed Managing Director of Hackman Metos and Designor Deputy Managing Director Nils Engström was appointed Managing Director of Hackman Designor.

The restructuring and development projects already executed, presently under way and in the planning phase are part of the Group's long term strategic plan. Many important elements of this plan have fallen into place during 1994. Orders have increased significantly across all of our main sectors and our year end order book was considerably higher than it was at the end of 1993.

In other words, we have every reason to be optimistic as far as the positive development of the Hackman Group is concerned.

I would like to thank our partners and employees for the excellent cooperation we have enjoyed during 1994 and I hope we can continue in the same spirit next year and beyond.

Helsinki, February, 1995

Curt Lindbom

priority position in Group operations right now. Industry customers have shown a powerful interest in this project all around the world. At the moment we are testing a number of pi-

1988. We believe that Hackman will generate more interest among investors as a public company.

The sale of businesses and fixed assets allowed the Group to finance de-

REPORT OF THE BOARD OF DIRECTORS

Global economic conditions showed positive development for the most part during 1994. Both the Finnish and Swedish export industries have landed significantly more orders and export industry investments have consequently picked up. Conversely, consumer product markets in Finland and Sweden continued to decline. Unemployment remained at the same high level as in 1993, making consumers exceedingly cautious.

Group Structural Changes

At the beginning of 1994 the shareholdings of Hackman Meka Oy and Hackman Ramnäs AB, along with the Suonenjoki Finnkeg plant were sold to the Swiss Franke Holding AG. The value of the Franke agreement was FIM 130 million. Hackman Meka's Järvenpää enamel plant was incorporated and renamed Temal Oy. The company was sold to a private entrepreneur and Hackman retained a minority holding.

In January of 1994 Hackman Household acquired the shareholding of Oy Tam-Kos Ab and the cosmetics operations of Oy Tamro Ab. The deal brought Household a new business area and strengthened Havi's liquid detergent and personal hygiene operations.

In the spring Hackman Casotec acquired the Dutch cheesemaking equipment producer, Hubert & Stork B.V.. Casotec became the world leader in cheesemaking systems in the aftermath of the acquisition which brought cheese warehousing systems into the company's product range.

In the summer Hackman Designor acquired Oy Alu Ab and integrated it into the Designor organization. Alu's industrial coating unit was incorporated and the majority of shareholdings divested in the autumn..

In the early autumn Hackman and Instrumentarium initiated the restructuring of the professional kitchen sector by merging their kitchen companies to

form Hackman Metos. Hackman has a 60 % holding in the new company while Instrumentarium has retained a 40% share.

Net Sales

The Group's effective net sales held at last year's level FIM 1 873.3 million (1993: 1 911.4 million). Finnmark denominated net sales declined FIM 38.1 million or 2% because of divestitures and the strengthening Finnmark. Meka's net sales totalled FIM 112.5 million in 1993.

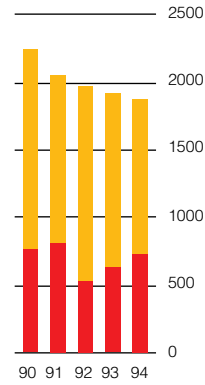
The share of export and offshore income in Group net sales totalled 61.0% or 1 142.1 million (66.6%; 1 273.5 million).

Profits

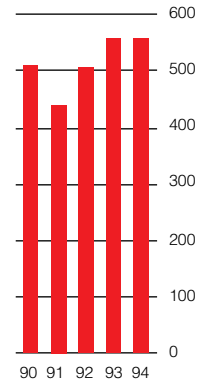
The Group's gross margin was FIM 533.3 million or 28.5% of net sales (FIM 513.6 million; 26.9%). The operating profit after depreciation totalled FIM 138.5 million or 7.4% of net sales (FIM 82.8 million; 4.3%). Operating profits include non-recurring items totalling FIM 93.8 million (FIM 27.3 million). These figures consist of Hackman Invest company and property development activities as well as earnings from security trading activities. Non-recurring items also include restructuring and rationalization costs.

The profit before non-recurring items totalled FIM 44.7 million or 2.4% of net sales (FIM 55.5 million; 2.9%). Earnings from the divested Hackman Meka totalled in 1993 FIM 13.2 million. Research and development costs totalling FIM 16.4 million (FIM 25.1 million) as well as losses on the sale of fixed assets totalling FIM 2.0 million (FIM 0.8 million) are included in other operating costs. Rental income totalling FIM 4.6 million (FIM 1.5 million) and gains on the sale of fixed assets totalling FIM 3.1 million (FIM 3.8 million), as well as other income totalling FIM 1.4 million (FIM 4.9 million) are included

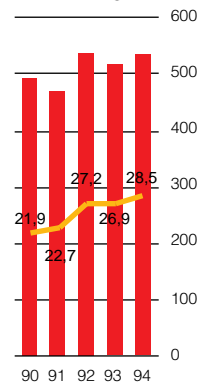
Net Sales, FIM million



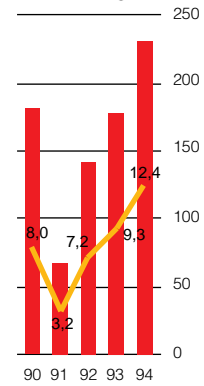
Net Sales per Person, FIM thousands



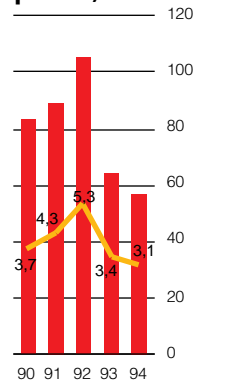
Gross Margin, FIM million



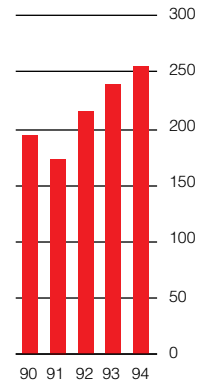
Operating Profit before Depreciation, FIM million



Net Financial Expenses, FIM million



Value Added/Person, FIM thousands



in other operating income. Planned depreciation included in activity-based costs totalled FIM 93.0 million (FIM 95.4 million).

The Group's productivity measured in terms of value added per person improved from FIM 0.239 million to FIM 0.255 million or 6.7%.

Net financial costs totalled FIM 57.3 million or 3.1% of net sales (FIM 64.0 million; 3.4%). The Group's profit after financial items rose to FIM 81.2 million over last year's figure of FIM 18.8 million.

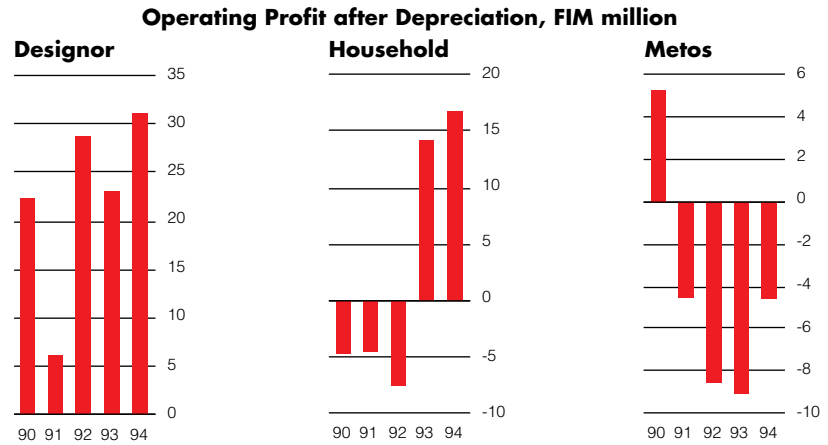
In 1993 a change in inventory valuation principles resulted in a FIM 27.4 million extraordinary gain being recorded on the inventory values of Finnish Group companies. In 1994 the Group did not have any extraordinary items. The profit before appropriations and taxes totalled FIM 81.2 million (FIM 36.6 million), an improvement of FIM 44.6 million over last year.

Taxes for the year totalled FIM 25.8 million (FIM 11.4 million). Profits before extraordinary items and after taxes and minority interests totalled FIM 58.4 million (FIM 4.4 million). Earnings per share totalled FIM 13.27 (FIM 1.01).

Division Performance

Hackman Designor's net sales totalled FIM 652.0 million (FIM 695.7 million). Sales outside Finland totalled FIM 372.7 million or 57.2% (FIM 437.0; 62.8%). Designor's operating profit improved FIM 8.2 million over last year to FIM 31.2 million (FIM 23.1 million). Systematically executed cost reductions and rising productivity generated the improvement.

Hackman Household's net sales totalled FIM 398.1 million (FIM 353.0 million). Sales outside Finland totalled FIM 188.8 million or 47.4% (FIM 205.2; 58.1%). Candle sales showed particularly strong growth, but technological product sales in Finland also



increased. Household's operating profit improved FIM 2.6 million over last year to FIM 16.8 million (FIM 14.2 million). Record candle sales and the successful launch of new ecologically sensitive technochemical products were the main factors behind the improvement.

Hackman Metos' net sales totalled FIM 184.4 million (FIM 137.4 million). Sales outside Finland totalled FIM 103.2 million or 56.0% (FIM 88.2; 64.2%). The figures are not comparable because 1993 figures and January to August 1994 figures include Hackman Professional Kitchens only. Metos' operating loss of FIM -4.6 million represented an improvement of FIM 4.5 mil-

lion over the performance of Hackman Professional Kitchens in 1993 (FIM -9.1 million). Profits were burdened by restructuring costs totalling FIM 6.4 million.

Hackman Food Process' net sales totalled FIM 412.7 million (FIM 401.2 million). Sales outside Finland totalled FIM 395.6 million or 95.9% (FIM 389.8; 97.6%). The increase in sales stems from the acquisition of Hubert & Stork B.V. in the spring of 1994. Hackman Farmcool and Stainless sales declined in the face of poor market conditions. Food Process generated an operating loss totalling -12.4 million or FIM 27.2 million poorer than last year's

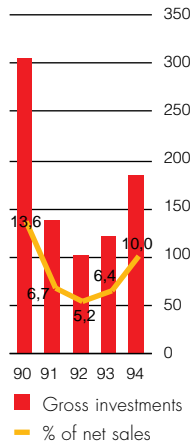
REPORT OF THE BOARD OF DIRECTORS

profit of FIM 14.8 million. The steep decline resulted from poor margins obtained from orders taken under difficult market conditions at the beginning of the year. Hackman Casotec's operating profit of FIM 3.6 million fell to half of last year's level (FIM 7.5 million) because most of the income from its cheesemaking systems projects will be recognized during 1995.

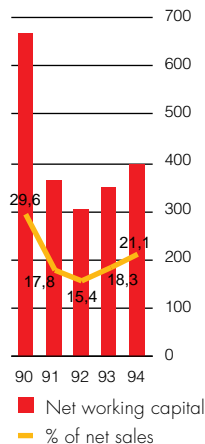
Hackman Wood Process' net sales totalled FIM 188.1 million (FIM 200.1 million). Sales outside Finland totalled FIM 89.0 million or 47.3 % (FIM 108.1; 54 %). Net sales of the divested Hackman Prosessi Oy Finnkeg plant in 1993 totalled FIM 30.7 million. Net sales in 1994 include the sale of its inventories, unshipped orders and business totalling FIM 12.6 million. Wood Process improved its operating profit from FIM 7.5 million to FIM 18.3 million. Hackman TTT's systematic rationalization has begun to generate results and its operating profit of FIM 8.4 million represented an improvement of FIM 3.1 million over 1993. Hackman Process' operating profit includes gains from the sale of inventories, orders and operations from the divested Finnkeg plant totalling FIM 8.1 million.

Hackman Invest's net sales totalled FIM 60.3 million (FIM 27.1 million). Sales growth resulted from recovering securities trading markets. Conversely, sales of wood from Hackman forests declined by FIM 3.6 million and totalled FIM 12.3 million (FIM 15.9 million). Hackman Invest showed an operating profit totalling FIM 102.8 million (FIM 16.1 million). Invest's development-based operations are the reason for the company's heavily fluctuating annual financial performance. The 1994 results include non-recurring income such as gains on the sale of Hackman Meka and Sampo Insurance Company shares and earnings from the land swap carried out with the Finnish forestry authorities.

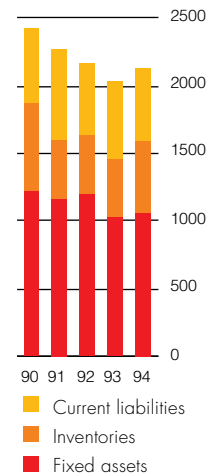
Gross Investments, FIM million



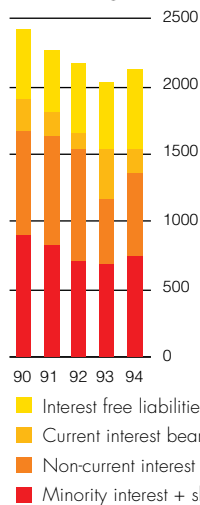
Net Working Capital, FIM million



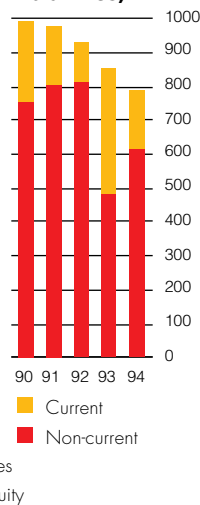
Assets, FIM million



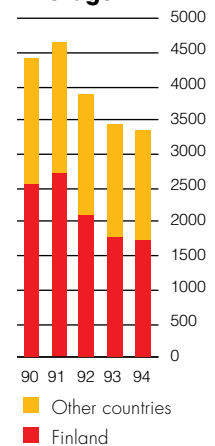
Liabilities, FIM million



Interest Bearing Liabilities, FIM million



Personnel, Average



Investments and Finance

The Group's gross investments totalled FIM 186.4 million (FIM 121.7 million). Most of the investments were targeted at acquisitions. These included the shareholdings of Oy Tam-Kos Ab and the cosmetics operations of Oy Tamro Ab, Hubert & Stork B.V. and Oy Alu Ab, in addition to the formation of Hackman Metos. Investments also include rationalization programs carried out at the

Arabia plant, Havi's warehouse expansion project and the extension of automation at several plants. Land areas received in connection with the Finnish government's land swapping program valued at FIM 32.2 million have been included in gross investments in accordance with the Finnish coastline protection program.

Net working capital totalled FIM 397.2 million at the year end or 21.2%

of net sales (FIM 349.1 million; 18.3%). The increase resulted mainly from orders produced but not yet delivered at the year end. Unshipped orders at the year end totalled FIM 397.7 million (FIM 213.9 million). The Group's liquidity was good throughout the year. Interest bearing liabilities declined during the year by FIM 62.4 million to FIM 787.5 million at the year end. Short term liabilities totalled FIM 706.6 million (FIM 816.3 million) and long term liabilities totalled FIM 662.3 million (FIM 529.3 million). The changes are due mainly to the conversion of liabilities from short to long term.

Solvency

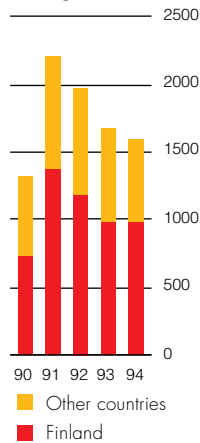
The Group's equity totalled FIM 714.0 million at the year end (FIM 664.7 million) or FIM 162.28 per share (FIM 151.06). Reserves have been divided into unrestricted equity and deferred tax liabilities. Tax liabilities have been calculated at 25% of the Finnish and 30% of the Swedish Group company reserves. The Group's equity ratio improved to 36.7% (34.4%).

As of the year end the Group had 48 480 hectares of forest, 244 hectares of waterfront property, 82 hectares of industrial property and 22 hectares of residential property. The total consolidated balance sheet value of these assets was FIM 509.1 million.

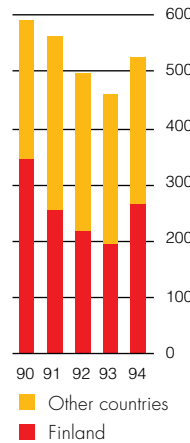
Personnel

Personnel figures have declined as a result of divestitures, rationalization and cost cutting programs. On the other hand, acquisitions and the need for skilled technical labour in project deliveries has increased personnel. As of the year end there were a total of 3 485 persons working for the Group (3 406). There were an average of 3 362 (3 432) employees working for the Group during the year, including 1 748 (1 786) in Finland.

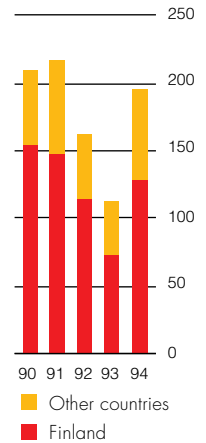
Personnel*, Designer



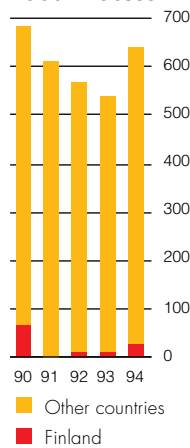
Personnel*, Household



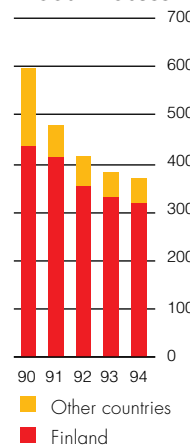
Personnel*, Metos



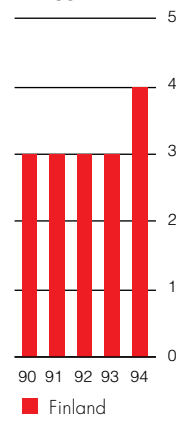
Personnel*, Food Process



Personnel*, Wood Process



Personnel*, Invest



* average

Post Year End Events

At the beginning of 1995 Hackman Havi acquired the the Danish and Norwegian household plastics operations of the the Dyno Plast plastics company. The production of the Danish unit will be transferred to the Hammarplast production unit in Sweden during 1995.

Future Prospects

Economic conditions on our main markets have begun to improve. Hackman will focus its efforts on organic growth

in its operational activities during the period now under way. We will focus sales efforts on our core product ranges and we will continue to cut back our product range to improve profitability.

The Group's target is to raise net sales by one fifth. This growth is to be profitable enough to improve earnings by the same proportional amount. In addition, we are aiming at reducing net financial costs. With respect to the Group's capital structure we have targeted an equity ratio of 40%.

INCOME STATEMENTS

FIM million	Note	Hackman Group				Oy Hackman Ab			
		1994	%	1993	%	1994	%	1993	%
Net Sales	1	1 873.3	100.0	1 911.4	100.0	12.3	100.0	90.4	100.0
Cost of Goods Sold	3	-1 340.0		-1 397.7		-4.3		-57.6	
Gross Margin		533.3	28.5	513.6	26.9	8.0	65.1	32.7	36.2
Sales and Marketing Costs	3	-319.7		-274.9		-		-16.5	
Administration Costs	3	-135.0		-146.0		-20.1		-19.7	
Other Operating Costs	3,4	-18.9		-31.1		-7.3		-1.1	
Other Operating Income	5	9.1		10.3		6.2		7.6	
Non-Recurring Operating Items	6	93.8		27.2		110.5		14.5	
Depreciation of Group Goodwill	3	-24.3		-16.4		-		-	
		-394.8		-430.8		89.3		-15.3	
Operating Profit After Depreciation	7	138.5	7.4	82.8	4.3	97.3	793.3	17.5	19.3
Financial Income and Expenses	8,9	-57.3	-3.1	-64.0	-3.4	-3.5	-28.1	-5.6	-6.2
Profit After Financial Items		81.2	4.3	18.8	1.0	93.8	765.1	11.9	13.2
Extraordinary Income and Expenses									
Extraordinary Income	10			27.4					
Extraordinary Expenses	10			-9.6				-9.5	
Corporate Transfers						5.2		39.3	
				17.8		5.2		29.8	
Profit Before Appropriations and Taxes		81.2	4.3	36.6	1.9	99.0	807.4	41.7	46.1
Change in Excess Depreciation	3,18,19					-0.2		-1.1	
Change in General Untaxed Reserves	29							12.0	
Direct Taxes									
Current Fiscal Year		-27.6		-7.9		-26.1		-3.1	
Due/Refund on Previous Year		-1.2		0.7		-0.1		-0.3	
Change in Deferred Tax Liability		3.0		-4.2					
		-25.8		-11.4		-26.3		-3.4	
Net Profit		55.4	3.0	25.2	1.3	72.5	591.2	49.1	54.4
Minority Interest		3.0		-3.0					
Group Interest		58.4		22.2					

CASH FLOW STATEMENTS

FIM million	Hackman Group		Oy Hackman Ab	
	1994	1993	1994	1993
Income From Operations				
Operating Profit After Depreciation	138.5	82.8	97.3	17.5
Depreciation	93.0	95.4	1.6	2.1
Financial Income and Expenses	-57.3	-64.0	-3.5	-5.6
Extraordinary Items	-	25.3	5.2	37.3
Direct Taxes	-25.8	-11.4	-26.3	-3.4
Income From Operations	148.4	128.1	74.3	47.9
Increase(-)/Decrease(+) in Inventories	-85.8	5.0	24.5	0.2
Increase(-)/Decrease(+) in Current Receivables	-15.1	-31.1	53.7	-6.1
Bearing Liabilities	90.3	-34.5	-11.3	-9.3
Change in Net Working Capital	-10.6	-60.6	66.9	-15.3
Cash Flow From Operations	137.8	67.6	141.2	32.6
Investments in Fixed Assets	-186.4	-121.7	-67.9	-121.1
Sale of Fixed Assets	70.4	168.8	42.5	133.7
Cash Flow Before Financing	21.7	114.7	115.8	45.2
Increase(-)/Decrease(+) in Non-Current Receivables	-6.5	23.5	-45.0	27.3
Increase(+)/Decrease(-) in Long-Term Debt	132.8	-325.2	67.5	-282.0
Decrease(-)/Increase(+) in Short-Term Debt	-200.0	246.4	-177.6	229.7
Dividend Payment	-6.6	-4.8	-6.6	-4.8
Other Change in Shareholders' Equity	-	-1.4	0.0	-1.4
Increase(+)/Decrease(-) in Minority Interest	10.3	-26.8	-	-
Cash Flow From Financing	-70.1	-88.3	-161.7	-31.3
Cash Flow After Financing	-48.3	26.4	-45.9	13.9
Adjustments	-2.2	-21.3		
Decrease(-)/Increase(+) in Liquid Assets	-50.5	5.1	-45.9	13.9

BALANCE SHEETS

FIM million	Note	Hackman Group		Oy Hackman Ab	
		1994	1993	1994	1993
Assets					
Fixed and Other Long-lived Assets					
Intangible Assets					
Research and Development Investments	11	6.9	5.1	-	-
Intangible Rights	12	21.5	3.6	-	0.0
Goodwill	13	21.4	6.9	-	1.2
Group Goodwill	14,15	112.9	133.2	-	-
Other Long-lived Assets	16	24.3	20.1	0.4	0.7
Advances		0.1	-	-	-
		187.1	168.9	0.4	1.9
Tangible Assets					
Forest, Land and Water	17,21	184.9	156.9	179.4	150.3
Revaluation	17	316.3	325.8	314.5	323.9
Buildings and Structures	18,21	101.1	111.4	17.1	17.7
Revaluation	18	12.4	13.2	-	-
Machinery and Equipment	19	210.4	210.6	1.3	2.2
Other Tangible Assets	20	5.8	6.8	3.3	3.2
Advances and Fixed Assets Under Construction		19.2	11.2	-	-
		850.1	835.8	515.6	497.2
Financial Assets					
Shares and Holdings	21,37	6.0	7.1	4.0	4.3
Shares in Associated Companies	21,22,36	0.2	5.5	0.3	4.0
Shares in Group Companies	21,22,35	-	-	255.5	244.7
Loans Receivable	22,23,26	27.2	15.8	63.0	18.0
Other Investments Carried as Fixed Assets		0.9	0.8	-	-
		34.4	29.3	322.8	270.9
Fixed and Other Long-lived Assets		1 071.7	1 034.0	838.7	770.0
Inventories and Financial Assets					
Inventories					
Raw Materials and Supplies		131.3	97.8	-	-
Work in Progress		121.5	95.7	-	-
Finished Goods and Goods for Resale	24	260.1	239.6	0.0	24.5
Other Inventories		6.2	1.3	-	-
Advances		1.3	0.1	-	-
		520.3	434.5	0.0	24.5
Receivables					
Accounts Receivable	23,25	317.7	305.3	18.2	12.9
Loans Receivable	25,26	4.4	46.8	427.3	473.9
Accruals and Deferred Income	25	51.8	33.5	15.2	26.8
Other Receivables	23,25	44.5	22.6	27.1	27.8
		418.3	408.1	487.8	541.4
Investments					
Other Investments	24	27.7	52.6	27.6	52.1
Cash and Bank Deposits		85.4	110.9	13.9	35.4
Inventories and Financial Assets		1 051.7	1 006.2	529.3	653.4
		2 123.4	2 040.2	1 368.1	1 423.4

FIM million	Note	Hackman Group		Oy Hackman Ab	
		1994	1993	1994	1993
Liabilities and Shareholders' Equity					
Shareholders' Equity					
Restricted Equity 27					
Share Capital		88.5	88.5	88.5	88.5
Reserve Fund		165.3	165.5	132.2	132.2
Revaluation Fund		262.4	274.8	262.4	274.8
		516.1	528.8	483.0	495.4
Unrestricted Equity 28					
Operational Fund				173.9	161.5
Retained Earnings		139.5	113.6	57.2	14.7
Net Profit/Loss For The Year		58.4	22.2	72.5	49.1
		197.9	135.9	303.6	225.3
Shareholders' Equity		714.0	664.7	786.6	720.7
Minority Interest		32.4	22.1		
Reserves					
Accumulated Depreciation in Excess of Plan	18,19			4.6	4.4
General Untaxed Reserves	29			9.9	9.9
Other Reserves				9.9	9.9
				9.9	9.9
Mandatory Reserves	30	8.1	7.7	7.5	7.5
Liabilities					
Non-Current Liabilities					
Loans From Financial Institutions	31	310.6	192.1	174.0	98.3
Pension Loans	31	303.8	282.8	110.3	117.9
Advances		-	0.8	-	-
Deferred Tax Liability		44.3	48.1	-	-
Accounts Payable		0.0	0.1	-	-
Other Non-Current Liabilities	31,32	3.6	5.4	0.2	0.8
		662.3	529.3	284.5	217.0
Current Liabilities					
Loans From Financial Institutions		98.0	238.0	48.0	206.0
Pension Loans		18.2	18.5	8.3	8.9
Advances		90.7	45.1	-	-
Accounts Payable	32	187.3	135.5	4.1	30.5
Notes Payable		-	23.7	-	-
Accruals and Deferred Expenses	32	180.6	162.4	32.3	13.8
Other Current Liabilities	32	131.8	193.1	182.2	204.7
		706.6	816.3	274.9	463.9
Liabilities		1 368.9	1 345.6	559.4	680.8
		2 123.4	2 040.2	1 368.1	1 423.4

ACCOUNTING PRINCIPLES

The Income Statement and Balance Sheet have been prepared in keeping with current Finnish Accounting legislation. The Income Statement is organized by activity.

Principles of Consolidation

The consolidated financial statements cover the parent company as well as all companies in which the Group has, directly or indirectly a controlling interest. The accounts of new companies are consolidated so as to be included in the Group's reporting from the day the Group became responsible for the company's management. The accounts of divested companies are consolidated so as to be included in the Group's reporting until the day of divestiture. The balance sheets of companies founded or acquired at the year end are included in the consolidated balance sheet.

All inter-Group transactions have been eliminated. Elimination of ownership of Group shares has been carried out using the acquisition cost method. Accordingly, the shares of subsidiaries have been balanced against subsidiary equity at the point of acquisition. The difference between the acquisition price of the shares and the subsidiary's total equity is accounted for either under fixed assets, subsidiary goodwill or consolidated reserves (badwill). New goodwill in subsidiaries is depreciated straight line over 5 years old ones over 10 years while consolidated reserves are amortized over three years. Goodwill matched against reserves on the subsidiaries is depreciated at the same rate as general untaxed reserves in subsidiaries. Consolidated reserves are considered counter-items to subsidiary goodwill and are recorded as reductions of goodwill.

The financial statements of foreign subsidiaries have been converted into Finnmarks at the official year end rate of Bank of Finland. Any discrepancies between the acquisition cost of subsidiary equity owing to exchange rate fluctuations have been included in the Group's retained earnings.

The consolidation of the associated companies has been carried out using the equity method. The Group's share of the associated companies' profits or losses for the accounting period is presented as a financial item.

Foreign Denominated Currency

The foreign denominated deposits and receivables, as well as liabilities and guarantees of the Parent Company and domestic subsidiaries have been converted into Finnmarks at the official year end rate of Bank of Finland. Exchange rate gains and losses are presented in net form, because all foreign denominated transactions have been handled during the year in various currency accounts. The balances of these accounts have been converted into Finnmarks at the year end only. Exchange rate gains and losses have been applied to the Group's net profit. Foreign denominated futures, options and other hedging instruments have been valued at the year end rate with interest.

Pension Costs

Currently employed persons in Finland are insured through pension insurance companies. Liabilities pertaining to pension plans dating prior to current legislation are shown as contingent pension liabilities under note 2. Pension schemes in foreign subsidiaries are in accordance with the conditions and practices of each country. The Group has no pension fund.

Research and Development

All research and development costs have been expensed in the year under review, except of some projects under construction.

Valuation of fixed assets

Fixed assets have been capitalized at their original acquisition price. Planned depreciation is straight-line and calculated on the basis of the asset's acquisition cost and economic life as follows:

- stone or equivalent buildings	30 years
- other buildings	20 years
- machinery and equipment	10 years
- cars, office equipment and electronic equipment	5 years.

Finnish depreciation methods are based upon existing tax procedures and regulations. Abroad, planned and total depreciation are approximately equal. Depreciation in excess of plan is shown separately in the income statement. On the balance sheet it appears as a single item in general untaxed reserves.

While reviewing the figures presented in notes 11 - 20 it is import to bear in mind that currency fluctuations have influenced the value of foreign subsidiary items. For this reason the year end balance sheet for 1993 and the opening balance sheet for 1994 do not precisely match.

Leasing

Leasing costs have been expensed in the year under review. No major items have been financed by leasing.

Revaluations

Revaluations of the company's landed assets prior to 1974 are included in the book value of landed assets while post-1974 revaluations are shown separately under landed assets. The counter item has been recorded in the reserve fund or the revaluation fund in the company's restricted equity. In the event landed assets are divested, its counter-revaluation item is eliminated and transferred to retained earnings.

Valuation of Inventories

Inventories have been valued using the FIFO method and either the asset's acquisition cost, its present value or probable sales price, whichever is lowest. All companies include direct production costs as well as indirect costs in their inventory values.

General Untaxed Reserves

Finnish corporate taxation is based on the financial statements prepared for the public. Tax-deductible items appear in the income statement in order to reduce taxable income. General untaxed reserves are legal tax deductions in accordance with Finnish statutory requirements the purpose of which is to cover against future losses. The cumulative effect of these items is shown in various reserves on the balance sheet. In the Group financial statements the general untaxed reserves of Finnish companies have been divided into retained earnings (75%) and deferred tax liability (25%). The foreign subsidiary reserves have been divided in a 70/30 proportion. The deferred tax liability is considered a long term non-interest bearing liability.

NOTES TO THE FINANCIAL STATEMENTS

Notes to the Income Statement, FIM million		Hackman Group		Oy Hackman Ab	
		1994	1993	1994	1993
1. Net Sales	Net Sales by Division				
	Designor	652.0	695.7	-	75.2
	Household	398.1	353.0	-	-
	Metos	184.4	137.4	-	-
	Food Process	412.7	401.2	-	-
	Wood Process	188.1	200.1	-	-
	Invest	60.3	27.1	12.3	15.2
	Other + Internal Sales	- 22.3	96.9	-	-
	Total	1 873.3	1 911.4	12.3	90.4
	Net Sales by National Subsidiary				
	Finland	1019.3	999.9	12.3	90.4
	Sweden	474.7	544.4	-	-
	Norway	164.0	188.5	-	-
	Denmark	35.1	35.2	-	-
	The Netherlands	138.7	125.2	-	-
	France	159.5	201.4	-	-
	Germany	45.6	47.1	-	-
	Austria	5.1	6.2	-	-
	Switzerland	3.2	1.8	-	-
	Estonia	7.3	2.0	-	-
	Poland	3.8	-	-	-
	Hungary	6.4	-	-	-
	USA	39.7	46.5	-	-
	Inter-Group	-229.1	-286.7	-	-
	Total	1873.3	1911.4	12.3	90.4
		1994	%	1993	%
	Geographic Distribution of Net Sales				
	Nordic Countries	1344.1	71.8	1392.0	72.8
	Other Europe	426.4	22.8	420.7	22.0
	North America	50.2	2.7	55.2	2.9
	Other	52.6	2.8	43.5	2.3
	Total	1873.3	100.0	1911.4	100.0
2. Personnel Costs					
	Wages, Salaries and Fringe Benefits	417.8	448.2	7.3	13.5
	Pension Costs	64.7	65.8	1.6	3.3
	Other Personnel Related Costs	117.6	88.1	0.4	2.3
	Total	600.0	602.1	9.3	19.1
	Compensation Paid to the Board and CEO	13.2	13.8	1.2	1.3
	Total Paid Salaries and Compensation	434.4	443.2	6.3	12.7
	Contingent Pension Liabilities	4.9	7.4	3.2	5.8

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		Hackman Group		Oy Hackman Ab	
		1994	1993	1994	1993
3. Depreciation	Planned Depreciation				
	Research and Development	-	0.0	-	-
	Intangible Rights	2.6	0.1	-	0.1
	Goodwill	2.6	2.6	-	0.4
	Other Long-lived Assets	5.3	6.2	0.2	0.3
	Buildings and Structures	6.8	7.8	0.8	0.8
	Machinery and Equipment	50.5	61.2	0.5	0.4
	Other Tangible Assets	1.1	1.1	0.1	0.1
	Total	68.7	79.0	1.6	2.1
	Group Goodwill	25.2	18.6	-	-
	Decrease in Group Reserves	-0.9	-2.2	-	-
	Total	24.3	16.4	-	-
	Change in Excess Depreciation				
	Buildings	-7.3	-0.1	0.1	0.2
	Machinery and Equipment	8.3	6.2	0.0	0.9
	Gains/Losses on Sale of Fixed Assets	0.1	0.8	0.1	0.1
	Total	1.0	6.8	0.2	1.1
	Activity-Based Depreciation				
	Cost of Goods Sold	48.0	57.5	0.2	0.1
	Sales and Marketing	10.5	8.8	-	0.7
	Administration	9.8	12.0	1.4	0.9
	Other Operating Costs (R&D)	0.4	0.7	-	0.4
	Total	68.7	79.0	1.6	2.1
4. Other Operating Costs	Research and Development	16.4	25.2	-	-
	Losses on Sale of Fixed Assets	2.0	0.8	7.0	-
	Compensation for Damages	0.0	-	-	-
	Other	0.4	5.2	0.3	1.1
	Total	18.9	31.1	7.3	1.1
5. Other Operating Income	Rental Income	4.6	1.5	4.7	4.8
	Gain on Sale of Fixed Assets	3.1	3.8	1.5	1.5
	Compensation for Damages	0.0	0.1	-	0.1
	Other	1.4	4.9	-	1.2
	Total	9.1	10.3	6.2	7.6
6. Non-Recurring Operating Items	Profit on Sale of Fixed Assets	116.9	26.9	112.2	14.5
	Compensation for Damages	-	7.0	-	-
	Restructuring Costs	-16.5	-6.7	-	-
	Other Non-Recurring Operating Items	-6.6	-	-1.7	-
	Total	93.8	27.2	110.5	14.5

		Hackman Group		Oy Hackman Ab		
		1994	1993	1994	1993	
7. Operating Profit After Depreciation by Division	Designor	31.3	23.1	-	3.6	
	Household	16.8	14.2	-	-	
	Metos	-4.6	-9.1	-	-	
	Food Process	-12.4	14.8	-	-	
	Wood Process	18.3	7.5	-	-	
	Invest	102.8	16.1	97.3	13.9	
	Other + Internal Eliminations	-13.8	16.2	-	-	
	Total	138.5	82.8	97.3	17.5	
8. Intra-Group Financial Income and Expenses	Financial Income from Group Companies					
	Dividend Income			0.0	0.1	
	Interest Income from Long-Term Investments			0.0	0.7	
	Interest Income from Short-Term Investments			31.3	41.8	
	Other Financial Income			0.2	2.7	
	Total			31.5	45.3	
	Financial Expenses from Group Companies					
	Interest Expenses			4.9	7.4	
	Other Financial Expenses			3.1	-	
	Total			8.0	7.4	
9. Financial Income and Expenses	Dividend Income from Group Companies	-	-	-	0.1	
	Dividend Income from Others	2.7	2.0	2.7	2.0	
	Interest Income from Long-Term Investments	0.9	0.7	1.2	1.2	
	Interest Income from Short-Term Investments	8.0	11.7	36.2	48.9	
	Other Financial Income	3.1	13.7	0.4	-	
	Exchange Rate Gains/Losses	-7.3	4.5	-3.5	2.9	
	Share of Profits/Losses in Associated Companies	1.3	-1.2	-	-	
	Interest Expenses	-62.2	-90.6	-38.8	-58.0	
	Other Financial Expenses	-3.9	-4.8	-1.6	-2.6	
Financial Income and Expenses Net	-57.3	-64.0	-3.5	-5.6		
10. Extraordinary Income and Expenses	Extraordinary Income					
	Change in Inventory Valuation Principles	-	27.4	-	-	
	Total	-	27.4	-	-	
	Extraordinary Expenses					
	Novera	-	7.5	-	7.5	
	Losses on Sale of Shares in Associated Companies	-	2.0	-	2.0	
	Total	-	9.6	-	9.5	
	Extraordinary expenses in 1993 include FIM 7.5 million in damages paid on a FIM 18.8 million judgement against the Group related to the Novera bankruptcy.					

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Notes on the Balance Sheet, FIM million		Hackman Group		Oy Hackman Ab	
		1994	1993	1994	1993
11. Research and Development Investments	Acquisition Value January 1	5.1	2.6	-	-
	Investments Jan. 1.-Dec. 31	1.8	2.8	-	-
	Fixed Asset Disposals Jan. 1-Dec. 31	-	-0.3	-	-
	Acquisition Value December 31	6.9	5.1	-	-
	Acc. Depreciation According to Plan Jan. 1	-	-	-	-
	Acc. Depr. on disposed Fixed Asset Jan. 1-Dec. 31	-	-	-	-
	Depreciation According to Plan Jan. 1-Dec. 31	-	-	-	-
	Book Value December 31	6.9	5.1	-	-
12. Intangible Rights	Acquisition Value January 1	4.9	3.7	-	0.6
	Investments Jan. 1.-Dec. 31	21.5	4.8	-	0.1
	Fixed Asset Disposals Jan. 1-Dec. 31	-0.5	-3.1	-	-0.8
	Acquisition Value December 31	25.9	5.4	-	0.0
	Acc. Depreciation According to Plan Jan. 1	-1.8	-1.9	-	-0.1
	Acc. Depr. on disposed Fixed Asset Jan. 1-Dec. 31	-	0.2	-	0.2
	Depreciation According to Plan Jan. 1-Dec. 31	-2.6	-0.1	-	-0.1
	Book Value December 31	21.5	3.6	-	0.0
13. Goodwill	Acquisition Value January 1	10.2	5.4	2.0	2.0
	Investments Jan. 1.-Dec. 31	17.4	5.8	-	-
	Fixed Asset Disposals Jan. 1-Dec. 31	-	-	-2.0	-
	Acquisition Value December 31	27.6	11.2	0.0	2.0
	Acc. Depreciation According to Plan Jan. 1	-3.6	-1.8	-0.8	-0.4
	Acc. Depr. on disposed Fixed Asset Jan. 1-Dec. 31	-	-	0.8	-
	Depreciation According to Plan Jan. 1-Dec. 31	-2.6	-2.6	-	-0.4
	Book Value December 31	21.4	6.9	0.0	1.2
14. Group Goodwill	Acquisition Value January 1	190.2	153.3		
	Investments Jan. 1.-Dec. 31	9.2	44.4		
	Fixed Asset Disposals Jan. 1-Dec. 31	-1.3	-		
	Acquisition Value December 31	198.1	197.7		
	Acc. Depreciation According to Plan Jan. 1	-60.3	-44.8		
	Acc. Depr. on disposed Fixed Asset Jan. 1-Dec. 31	0.7	-		
	Depreciation According to Plan Jan. 1-Dec. 31	-25.2	-18.6		
	Book Value December 31	113.4	134.3		
15. Group Reserve	Acquisition Value January 1	3.7	1.5		
	Investments Jan. 1.-Dec. 31	0.5	2.4		
	Fixed Asset Disposals Jan. 1-Dec. 31	-	-		
	Acquisition Value December 31	4.2	3.9		
	Acc. Decrease According to Plan Jan. 1	-2.7	-0.6		
	Acc. Decrease on disposed Fixed Asset Jan. 1-Dec. 31	-	-		
	Decrease According to Plan Jan. 1-Dec. 31	-0.9	-2.2		
	Book Value December 31	0.6	1.1		

		Hackman Group		Oy Hackman Ab	
		1994	1993	1994	1993
16. Other Long-Lived Assets	Acquisition Value January 1	38.7	37.9	2.9	2.4
	Investments Jan. 1.–Dec. 31	11.7	6.0	0.4	0.6
	Fixed Asset Disposals Jan. 1–Dec.31	-2.3	-1.2	-0.6	-0.1
	Acquisition Value December 31	48.1	42.7	2.7	2.9
	Acc. Depreciation According to Plan Jan. 1.	-19.1	-16.8	-2.2	-1.9
	Acc. Depr. on disposed Fixed Asset Jan. 1–Dec.31	0.3	0.4	0.1	-
	Depreciation According to Plan Jan. 1–Dec.31	-5.0	-6.2	-0.2	-0.3
	Book Value December 31	24.3	20.1	0.4	0.7
	17. Forest, Land and Water	Acquisition Value January 1	156.5	159.2	150.3
Investments Jan. 1.–Dec. 31		29.7	0.2	29.7	0.2
Fixed Asset Disposals Jan. 1–Dec.31		-1.3	-2.5	-0.6	-0.7
Acquisition Value December 31		184.9	156.9	179.4	150.3
Revaluation January 1		325.7	327.3	323.9	325.3
Increase Jan. 1–Dec.31		3.0	-	3.0	-
Decrease Jan. 1–Dec.31		-12.4	-1.5	-12.4	-1.4
Revaluation December 31		316.3	325.8	314.5	323.9
18. Buildings and Structures		Acquisition Value January 1	146.1	154.2	22.1
	Investments Jan. 1. –Dec. 31	9.3	7.9	0.3	0.7
	Fixed Asset Disposals Jan. 1–Dec.31	-5.1	-6.8	-0.1	-
	Acquisition Value December 31	150.2	155.3	22.3	22.1
	Acc. Depreciation According to Plan Jan. 1	-42.8	-37.2	-4.4	-3.7
	Acc. Depr. on disposed Fixed Asset Jan. 1–Dec.31	0.5	1.1	0.0	-
	Depreciation According to Plan Jan. 1–Dec.31	-6.8	-7.8	-0.8	-0.8
	Book Value December 31	101.1	111.4	17.1	17.7
	Acc. Depreciation in Excess of Plan Jan. 1	34.9	35.1	4.3	4.1
	Increase in Excess Depreciation Jan. 1– Dec.31	1.2	1.2	0.1	0.2
	Decrease in Excess Depreciation Jan. 1–Dec.31	-8.5	-1.3	-	-
	Acc. Depreciation in Excess of Plan Dec.31	27.6	34.9	4.4	4.3
	Revaluation January 1	12.6	14.0	-	-
	Increase Jan. 1–Dec.31	-	-	-	-
	Decrease Jan. 1–Dec.31	-0.1	-0.8	-	-
	Revaluation December 31	12.4	13.2	-	-

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		Hackman Group		Oy Hackman Ab	
		1994	1993	1994	1993
19. Machinery and Equipment	Acquisition Value January 1	564.8	543.5	7.2	6.5
	Investments Jan. 1.–Dec. 31	82.2	45.6	0.8	1.1
	Fixed Asset Disposals Jan. 1–Dec. 31	-23.7	-17.7	-5.3	-0.4
	Acquisition Value December 31	623.4	571.3	2.7	7.2
	Acc. Depreciation According to Plan Jan. 1	-369.7	-309.6	-5.2	-4.8
	Acc. Depr. on disposed				
	Fixed Asset Jan. 1–Dec. 31	7.4	10.0	4.3	0.1
	Depreciation According to Plan Jan. 1–Dec. 31	-50.7	-61.2	-0.5	-0.4
	Book Value December 31	210.4	210.6	1.3	2.2
	Acc. Depreciation in Excess of Plan Jan. 1	52.8	46.6	0.1	-0.9
	Increase in Excess Depreciation Jan. 1–Dec. 31	13.8	6.0	0.0	0.9
	Decrease in Excess Depreciation Jan. 1–Dec. 31	-5.6	-0.6	-	-
	Profits/Losses on Sale Jan. 1–Dec. 31	0.1	0.8	0.1	0.1
	Acc. Depreciation in Excess of Plan Dec. 31	61.1	52.8	0.2	0.1
Net Book Value of Machinery and Equipment December 31	174.8	182.1	-	-	
20. Other Tangible Assets	Acquisition Value January 1	9.4	8.4	3.7	3.5
	Investments Jan. 1.–Dec. 31	1.2	2.7	0.3	0.2
	Fixed assets Disposals Jan. 1–Dec. 31	-0.2	-1.0	-	-
	Acquisition Value December 31	10.4	10.1	4.0	3.7
	Acc. Depreciation According to Plan Jan. 1	-3.5	-2.3	-0.5	-0.4
	Acc. Depreciation on disposed				
	Fixed Asset Jan. 1–Dec. 31	-	0.0	-	-
Depreciation According to Plan Jan. 1–Dec. 31	-1.1	-1.1	-0.2	-0.1	
Book Value December 31	5.8	6.8	3.3	3.2	
21. Taxable Value of Fixed Assets in Finland	Land	152.8	136.9	128.6	127.5
	Buildings and Structures	89.3	105.8	13.4	13.9
	Shares and Holdings	6.2	9.0	5.3	8.3
	Shares in Group Companies	-	-	151.5	74.3
	Unassessed asset book values	20.6	27.7	-	-
22. Financial Assets in Group and Associated Companies	Group Companies				
	Shares			255.5	244.7
	Loans Receivable			43.1	13.4
	Total			298.6	258.1
	Associated Companies				
	Shares			0.3	4.0
	Loans Receivable			5.1	-
	Total			5.4	4.0

		Hackman Group		Oy Hackman Ab	
		1994	1993	1994	1993
23. Receivables Due After one Year or Later	Accounts Receivable	13.2	1.7	4.5	-
	Loans Receivable	27.2	-	63.0	18.0
	Other Receivable	0.7	3.2	-	-
	Total	41.1	4.9	67.5	18.0
24. Market Value of Securities Carried as Inventory and Financial Assets	Securities in Inventory	6.9	1.9	-	-
	Other Investments	27.7	52.6	27.6	52.1
	Total Market Value	34.6	54.5	27.6	52.1
	Corresponding Book Value	34.6	54.5	27.6	52.1
	Difference	0.0	0.0	0.0	0.0
25. Receivables From Group and Associated Companies	Accounts Receivable/Group Companies			1.8	1.1
	Accruals and Deferred Income/Group Companies			12.0	15.4
	Loans Receivable/Group Companies			424.1	442.0
	Loans Receivable/Associated Companies			2.1	-
	Other Receivables/Group Companies			16.8	27.0
	Other Receivables/Associated Companies			-	0.5
Total			456.8	486.0	
26. Management and Shareholder Related Pension Liabilities and Loans	The agreed upon retirement age of the Managing Directors in Group companies is 60-67 years of age and in the parent company 60 years of age.				
	Loans Receivable From the Managing Director and Board Members	2.0	2.0	0.6	0.6
	Loan maturities vary from 0-12 years and are generally of the bullet type. The interest rate is the Bank of Finland base rate + 1 %.				
27. Restricted Equity	Share Capital January 1	88.5	88.5	88.5	88.5
	Share Capital December 31	88.5	88.5	88.5	88.5
	Reserve Fund January 1	165.3	165.4	132.2	132.2
	Subsidiary Minority Interest Premium	-	0.1	-	-
	Reserve Fund December 31	165.3	165.5	132.2	132.2
	Revaluation Fund January 1	274.8	276.2	274.8	276.2
	Recognition of Revaluation from Sale of Land	-12.4	-1.4	-12.4	-1.4
	Revaluation Fund December 31	262.4	274.8	262.4	274.8
	Restricted Equity December 31	516.1	528.8	483.0	495.4

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

		Hackman Group		Oy Hackman Ab	
		1994	1993	1994	1993
28. Unrestricted Equity	Opening Balance January 1	135.9	139.8	-	-
	Parent Company Operational Fund January 1	-	-	161.5	161.5
	Recognition of Revaluation from Sale of Land	12.4	-	12.4	-
	Parent Company Operational Fund December 31	-	-	173.9	161.5
	Parent Company Retained Earnings January 1	-	-	63.8	19.5
	Dividend	-6.6	-4.8	-6.6	-4.8
	Conversion Discrepancy	-2.2	-21.3	-	-
	Parent Company Retained Earnings December 31	-	-	57.2	14.7
	Profit for the Year	58.4	22.2	72.5	49.1
	Total Unrestricted Equity December 31	197.9	135.9	303.6	225.3
Distributable Unrestricted Equity	78.9	11.2			
29. General Untaxed Reserves	Investment Reserve				
	Balance Value January 1	0.1	0.4	-	-
	Decrease Jan.1 - Dec. 31	-	-0.3	-	-
	Balance Value December 31	0.1	0.1	-	-
	Other Reserves				
	Balance Value January 1	79.5	81.9	9.9	21.9
	Increase Jan.1 - Dec. 31	2.8	-	-	9.9
	Decrease Jan.1 - Dec. 31	-8.1	-2.4	-	-21.9
	Balance Value December 31	74.2	79.5	9.9	9.9
	30. Mandatory Reserves	Novera (see p.10)	7.5	7.5	7.5
Guarantee Reserve		0.6	0.2	-	-
Total		8.1	7.7	7.5	7.5
31. Liabilities Due After Five Years or Later	Loans From Financial Institutions	60.6	21.6	4.5	13.9
	Pension loans	222.2	166.7	82.4	88.2
	Other Long-lived Assets	44.5	-	-	-
	Total	327.3	188.3	86.9	102.1
32. Payables to Group and Associated Companies	Other Non-Current Liabilities/Group Companies			0.1	0.1
	Short-Term Accounts Payable/Group Companies			3.2	29.0
	Accruals and Deferred Expenses/Group Companies			0.5	2.3
	Other Current Liabilities/Group Companies			148.0	157.4
	Other Current Liabilities/Associated Companies			0.4	-
	Total			152.2	188.8
33. Contingent Liabilities	Mortgages Against Group Liabilities	287.3	307.2	168.2	169.0
	Mortgages Against Group Company Liabilities	-	-	50.4	35.2
	Total	287.3	307.2	218.6	204.2
	Guarantees for Group Companies	-	-	324.8	239.1
	Guarantees for Others	5.9	13.2	6.9	5.3
	Total	5.9	13.2	331.7	244.3
	Contingent Liabilities on Behalf of Assoc. Companies	-	-	-	-

		Hackman Group		Oy Hackman Ab	
		1994	1993	1994	1993
34. Personnel	Average				
	Hackman Designor	1 590	1 685	-	70
	Hackman Household	525	458	-	-
	Hackman Metos	195	112	-	-
	Hackman Food Process	642	540	-	-
	Hackman Wood Process	371	379	-	-
	Hackman Industrier	4	5	-	-
	Hackman Eesti AS	12	12	-	-
	Hackman Polska Sp.z.o.o.	1	-	-	-
	Head Office	22	22	22	21
	Companies sold 1994	-	219	-	-
	Total	3 362	3 432	22	91
	31.12.				
	Hackman Designor	1 607	1 604	-	68
	Hackman Household	507	445	-	-
	Hackman Metos	366	140	-	-
	Hackman Food Process	630	583	-	-
	Hackman Wood Process	336	384	-	-
	Hackman Industrier	4	5	-	-
	Hackman Eesti AS	12	12	-	-
	Hackman Polska Sp.z.o.o.	1	-	-	-
	Head Office	22	22	22	22
	Companies sold 1994	-	211	-	-
	Total	3 485	3 406	22	90
	Distribution of Personnel by Country, December 31				
	Finland	1 874	1 758	22	90
	Sweden	749	884	-	-
	Norway	203	227	-	-
	Denmark	20	18	-	-
	The Netherlands	152	112	-	-
	France	268	268	-	-
	Germany	36	36	-	-
	Austria	3	3	-	-
	Estonia	55	42	-	-
	Poland	1	-	-	-
	Hungary	68	-	-	-
	USA	56	58	-	-
	Total	3 485	3 406	22	90

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

35. Group Companies Dec 31, 1994	Group's				Group Comp. Share- holding %	Face Value Total '000	Total Book Value		Most Recent Fiscal. Profit/Loss.
	Share Holding %	Voting Share %	Equity Share FIM mil.	Number of Shares			Parent Company	Group Company	
Hackman Designor Oy Ab	100	100	86.4	1 900	100	FIM 19 000	133.5	-	2.5
Oy Alu Ab	97	97	4.1	97	97	FIM 2 953	-	0.0	8.9
Designor AG	100	100	0.0	100	100	CHF 50	-	0.1	0.0
Finn-Ugor LLC	51	51	1.4	1 738	51	HUF 45 390	-	2.8	-0.5
Hackman LLC	97	97	0.6	1 450	97	HUF 14 065	-	0.9	0.0
Hackman Dvigatel AS	60	60	-0.4	60	60	EEK 1 890	0.8	0.0	-1.6
Hackman Europe B.V.	100	100	16.7	200 000	100	NLG 20 000	61.0	-	-16.5
Hackman A/S	100	100	4.3	3 000	100	DKK 3 000	-	5.2	2.0
Hackman Danmark A/S	100	100	0.1	1	100	DKK 300	-	0.1	0.0
Hackman Designor B.V.	100	100	-0.4	125	100	NLG 125	-	0.3	-0.1
Hackman Eesti AS	100	100	-0.6	100	100	EEK 1 000	-	0.4	-1.0
Hackman Fürst AG	100	100	3.1	50	100	CHF 50	-	2.5	0.6
Hackman Fürst GmbH	100	100	5.9	50	100	DEM 4 550	-	16.2	-8.0
Designor GmbH	100	100	0.0	1 500	100	DEM 1 500	-	0.0	-0.6
Hackman Fürst GmbH	100	100	-0.1	50	100	ATS 500	-	0.3	0.0
Hackman TTT GmbH	100	100	0.6	3 000	100	DEM 300	-	0.7	0.0
Hackman Havi Oy Ab	100	100	32.1	461 208	100	FIM 9 230	-	27.2	0.0
Hackman Havi AB	100	100	13.5	10 000	100	SEK 10 000	-	38.2	0.0
Hackman Polska Z.O.O.	100	100	0.0	40	100	PLZ 40 000	-	0.0	0.0
Oy Tam-Kos Ab	100	100	2.3	180	100	FIM 18	-	2.6	0.1
Hackman Household AB	100	100	32.0	206 667	100	SEK 20 667	-	77.2	-2.0
Hammarplast A/S	100	100	0.3	318	100	DKK 300	-	0.0	0.0
Hackman Industrier AB	100	100	15.0	280 000	100	SEK 28 000	-	70.5	29.7
Hackman Rörstrand AB	100	100	14.8	200 000	100	SEK 20 000	-	12.8	4.1
Hackman Finance AB	100	100	0.0	500	100	SEK 50	-	0.0	0.0
Nilsjohan AB	100	100	0.0	50	100	SEK 50	-	0.0	0.0
Hackman Wedholms AB	100	100	11.6	15 000	100	SEK 15 000	-	11.5	-0.6
Hackman Norge A/S	100	100	8.6	50	100	NOK 20 050	-	14.7	-3.1
Hackman Designor A/S	100	100	28.1	16 981	100	NOK 8 490	-	13.2	3.7
Hackman Household A/S	100	100	-0.5	2 050	100	NOK 2 050	-	1.4	-1.6
Hackman TTT Oy Ab	100	100	15.3	24	100	FIM 12 000	-	35.5	2.3
Hackman USA Corporation	100	100	20.5	100	100	USD 2 000	-	16.4	0.1
Hackman-MKT Inc.	100	100	0.0	1 000	100	USD 50	-	0.2	0.0
Hackman Tabletop Inc.	100	100	0.1	150 000	100	USD 150	-	1.3	-1.1
The Peerless Saw Company	100	100	7.1	500	100	USD 50	-	14.5	0.5
MKT France S.A.	100	100	0.1	250	100	FRF 250	0.0	0.1	0.0
Prominox S.A.	100	100	56.2	30 000	100	FRF 3 000	0.0	63.6	-2.9
Eurotanks Polska Sp.z.o.o.	51	51	0.3	7 200	51	PLZ 3 672	-	0.9	-0.8
Tebel-MKT B.V.	53	53	18.5	727	53	NLG 727	-	32.8	4.0
Tebel-MKT Oy	53	53	0.4	800	100	FIM 800	-	1.0	0.2
Hackman Intech Oy	100	100	0.3	25	100	FIM 250	0.1	0.1	0.0
Hackman Invest Oy Ab	100	100	10.1	1 000	100	FIM 10 000	10.0	-	0.1
Hackman Lehitech Oy	100	100	-0.1	6 350	100	FIM 635	0.2	0.2	3.7
Hackman Metos Oy Ab	60	60	24.4	182	60	FIM 6 000	24.3	-	0.6
Accord AC AB	60	60	0.4	2 300	100	SEK 2 300	-	0.6	-0.4
CaféKing Oy	60	60	-0.3	15	100	FIM 15	-	0.0	-0.3
Hackman Metos AB	60	60	-0.2	1 700	100	SEK 1 700	-	4.9	-3.4
Hackman Metos A/S	60	60	-0.4	104 000	100	NOK 1 040	-	0.7	-3.9
Hackman Metos Eesti AS	60	60	0.0	1	100	EEK 25	-	0.0	0.0
Hackman Stala Kalusteet Oy	60	60	0.6	900	90	FIM 900	-	0.9	0.0
Hackman Storkök AB	60	60	1.0	3 000	100	SEK 3 000	-	1.6	-0.3
Metos Norge A/S	60	60	0.3	3 050	100	NOK 3 050	-	0.5	0.0
Hackman-MKT Oy	100	100	5.9	3 100	100	FIM 1 240	2.1	-	4.7
Hackman Prosessi Oy Ab	100	100	5.5	50 000	100	FIM 5 000	5.0	-	0.0
Hackman Sarvis Oy	100	100	0.8	100	100	FIM 1 000	3.9	-	0.0
Hackman Suurkeittiöt Oy Ab	100	100	2.3	400 000	100	FIM 4 000	11.9	-	0.1
Hackman Foodtec Oy	100	100	2.8	3 500	100	FIM 3 500	0.0	2.1	0.7
Hackman Toplami Oy	100	100	0.9	500	100	FIM 500	0.5	-	0.6
Hadwaco Ltd Oy	74	74	2.1	520	74	FIM 5 180	2.2	3.0	-2.7
Kiint. Oy Sorsakosken Teollisuustalot	100	100	0.8	1 015	100	FIM 1 015	0.0	1.0	-0.1
Total							255.5	481.3	

36. Shares in Associated Companies December 31, 1994	Group's			Number of Share	Group Comp. Share holding %	Face Value Total '000	Total Book Value		Most Recent Fiscal Profit/Loss	Date of Closing of the Books/ Length of Account. Period
	Share Voting %	Voting Share %	Equity Share FIM mill.				Parent Company	Group Company		
Alu Industrial Coating Oy	30	30	0.2	30	30	0	0.2	-	-	-
MKT-Steel Oy	34	34	0.2	2 750	45	17	-	0.0	0.4	31.12.94/12
Temal Oy	23	23	0.1	14	23	0	0.1	-	-1.1	31.12.94/12
Total							0.3	0.0		

37. Shares and Holdings December 31, 1994

Asunto Oy Pankkikallio		4 205	52.6	421	0.9 ¹⁾	-
Asunto Oy Sorsakosken Pajaharju		13 598	27.4	136	0.2 ¹⁾	-
Central Share Register of Finland Co-operative		2	-	-	0.2	-
Sampo Insurance Company		561	-	11	-	0.2
GolfTalma Oy		2	-	-	-	0.2
Helsinki Stock Exchange		1	-	-	0.3	-
Helsinki Telephone Ltd.		129	-	-	0.1	0.2
Kiinteistö Oy Joutsenon Annukka		38	50.0	380	0.4 ¹⁾	-
Oy Kvartett Invest Ab		15 000	15.0	1 500	1.5	-
Leppävirran Matkailukeskus Oy		150	33.3	150	0.2 ¹⁾	-
Tietosavo Oy		10 200	2.7	102	0.1	-
Other		-	-	-	0.2	1.5
Total					4.0	2.0

¹⁾ Not included in consolidated financial statements owing to small size and nature of holding.

CALCULATION OF KEY RATIOS

Value Added	Operating profit before depreciation + wages and salaries + personnel costs + rent
Financial Profit	Profit before appropriations and taxes + depreciation – decrease of consolidated reserves – taxes
Net working capital	Non-interest bearing current assets + inventories – short-term non-interest bearing liabilities
Return on Investment (ROI) Return on Net Assets (RNA)	$\frac{\text{Profit after financial items + interest and other financial expenses} \times 100}{\text{Average (total assets – non-interest bearing liabilities)}}$
Return on Shareholders' Equity (ROE)	$\frac{\text{Profit after financial items – taxes} \times 100}{\text{Average (shareholders' equity + minority interest)}}$
Equity ratio	$\frac{\text{Shareholders' equity + minority interest} \times 100}{\text{Total assets – advances received}}$
Quick Ratio	$\frac{\text{Current assets}}{\text{Current liabilities – advances}}$
Current Ratio	$\frac{\text{Current assets + inventories}}{\text{Current liabilities}}$
Earnings Per Share (EPS)	$\frac{\text{Profit before extraordinary items – minority interest – taxes}}{\text{Average number of shares}}$
Cash-flow Per Share	$\frac{\text{Profit after financial items + depreciation – taxes}}{\text{Average number of shares}}$
Shareholders' Equity/Share	$\frac{\text{Shareholders' equity}}{\text{Number of shares at year end}}$
Dividend/Share	$\frac{\text{Dividend}}{\text{Number of shares at year end}}$
Dividend as a Percentage of Earnings	$\frac{\text{Dividend/share} \times 100}{\text{Earnings/share}}$
Effective Dividend Yield	$\frac{\text{Dividend/share} \times 100}{\text{Year end share price}}$
Price Earnings Ratio (P/E)	$\frac{\text{Year end share price}}{\text{Earnings/share}}$

KEY RATIOS

		1990	1991	1992	1993	1994
Net Sales	FIM million	2 250.6	2 058.1	1 964.9	1 911.4	1 873.3
Change from Previous Years	%	3.3	-8.6	-4.5	-2.7	-2.0
Offshore Sales	FIM million	1 482.9	1 251.2	1 421.9	1 273.5	1 142.1
Share of Net Sales	%	65.9	60.8	72.4	66.6	61.0
Wages, Salaries and Personnel Costs	FIM million	634.8	683.3	637.4	599.0	577.2
Share of Net Sales	%	28.2	33.2	32.4	31.3	30.8
Gross Margin	FIM million	491.9	467.7	534.3	513.6	533.3
Share of Net Sales	%	21.9	22.7	27.2	26.9	28.5
Operating Profit Before Depreciation	FIM million	180.6	66.5	141.3	178.2	231.5
Share of Net Sales	%	8.0	3.2	7.2	9.3	12.4
Depreciation According to Plan	FIM million	100.2	104.5	120.0	97.6	93.9
Decrease of Group Reserves	FIM million	10.4	11.6	20.2	2.2	0.9
Operating Profit After Depreciation	FIM million	90.8	-26.4	41.5	82.8	138.5
Share of Net Sales	%	4.0	-1.3	2.1	4.3	7.4
Net Financial Expenses	FIM million	83.0	89.3	104.8	64.0	57.3
Share of Net Sales	%	3.7	4.3	5.3	3.4	3.1
Profit After Financial Items	FIM million	7.8	-115.7	-63.3	18.8	81.2
Share of Net Sales	%	0.3	-5.6	-3.2	1.0	4.3
Profit Before Extraordinary Items	FIM million	7.8	-115.7	-63.3	18.8	81.2
Share of net sales	%	0.3	-5.6	-3.2	1.0	4.3
Profit Before Appropriations and Taxes	FIM million	7.8	-115.7	-63.3	36.6	81.2
Share of Net Sales	%	0.3	-5.6	-3.2	1.9	4.3
Direct Taxes	FIM million	17.6	-2.7	10.0	11.4	25.8
Minority Interest	FIM million	12.3	-0.1	-4.3	3.0	-3.0
Value Added	FIM million	860.7	802.1	832.8	821.6	857.9
Financial Profit	FIM million	80.0	-20.1	26.5	120.6	148.4
Share of Net Sales	%	3.6	-1.0	1.3	6.3	7.9
Gross Investments	FIM million	306.0	137.7	102.4	121.7	186.4
Share of Net Sales	%	13.6	6.7	5.2	6.4	10.0
Dividend	¹⁾ FIM million	8.8	6.2	4.8	6.6	8.8
Interest Bearing Current Assets	FIM million	90.1	314.5	191.1	210.4	117.5
Non-Interest Bearing Current Assets	FIM million	459.4	360.1	344.0	361.3	414.0
Inventories	FIM million	653.8	431.3	439.5	434.5	520.3
Fixed and Other Long-Lived Assets	FIM million	1 216.2	1 168.7	1 203.2	1 034.0	1 072.3
Non-Interest Bearing Liabilities	²⁾ FIM million	510.9	465.9	525.1	503.5	581.4
Interest Bearing Liabilities	FIM million	989.3	973.6	934.0	849.9	787.5
Share of Net Sales	%	44.0	47.3	47.5	44.5	42.0
Net Working Capital	FIM million	666.5	367.3	302.3	349.1	397.2
Share of Net Sales	%	29.6	17.8	15.4	18.3	21.2
Minority Interest	FIM million	65.5	71.2	48.9	22.1	32.4
Shareholders' Equity	²⁾ FIM million	853.9	764.0	669.8	664.7	714.0
Total Assets	FIM million	2 419.5	2 274.6	2 177.8	2 040.2	2 123.4
Return on Investment (ROI)	²⁾ %	6.7	0.4	4.1	7.2	10.0
Return on Equity (ROE)	²⁾ %	-1.2	-12.9	-9.4	1.1	7.7
Equity Ratio	²⁾ %	38.3	37.5	33.9	34.4	36.7
Quick ratio		0.8	1.2	1.0	0.7	0.9
Current ratio		1.8	1.9	1.6	1.2	1.5
Average Number of Personnel		4 406	4 663	3 876	3 432	3 362
Outside Finland		1 832	1 957	1 794	1 646	1 614
Personnel, December 31		5 148	4 067	3 719	3 406	3 485
Outside Finland		2 023	1 833	1 738	1 648	1 611
Net Sales/Person	FIM million	0.511	0.441	0.507	0.557	0.557
Value Added/Person	FIM million	0.195	0.172	0.215	0.239	0.255

¹⁾ Proposal of Board 1994

²⁾ General untaxed reserves have been divided into retained earnings (75%) and deferred tax liability (25%).

PROPOSAL OF THE BOARD OF DIRECTORS

According to the Group balance sheet the unrestricted equity as of December 31, 1994 amounted to	FIM	197 892 000,00
of which the distributable unrestricted equity amounted to	FIM	78 880 000,00

The Parent Company's unrestricted equity breaks down as follows:

Operational Fund, December 31, 1994	FIM	173 894 765,51
Retained Earnings, December 31, 1994	FIM	57 202 524,71
Profit for the Year	FIM	72 477 921,70
	FIM	<u>303 575 211,92</u>

The Board of Directors recommends that:

- a dividend on 1994 of FIM 2.00 per share be distributed on the 817 500 K-shares outstanding and on the 3 582 500 A-shares outstanding, the sum totalling:	FIM	8 800 000,00
- a sum is to be retained in Operational Fund amounting to:	FIM	173 894 765,51
- the remaining sum is to be held in retained earnings:	FIM	<u>120 880 446,41</u>
	FIM	<u>303 575 211,92</u>

Helsinki, March 1, 1995

Peter Fazer

Carl-Olaf Homén

Jan Hörhammer

Bo Lundquist

Thomas Thesleff

Curt Lindbom

AUDITORS' REPORT

To the shareholders of Oy Hackman Ab

We have audited the accounting records, the financial statements and the administration of Oy Hackman Ab for the financial year ended December 31, 1994. The financial statements, consisting of the Report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on the administration.

We have conducted the audit in accordance with generally accepted Finnish Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial

statement presentation. The purpose of our audit of the administration is to assure ourselves that the members of the Board of Directors and the Managing Director have legally complied with the rules of the Companies' Act.

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements including the consolidated financial statements may be adopted and the members of the Board of Directors and the Managing Director of the parent company be discharged from liability for the financial year audited by us. The appropriation of profits proposal by the Board of Directors is in compliance with the Companies' Act.

We have reviewed the interim reports published during the financial year. The interim reports have been prepared in accordance with applicable regulations.

Helsinki, March 8, 1995

Joe Sundholm,
Authorized Public Accountant

Christina Diehl

HACKMAN DESIGNOR

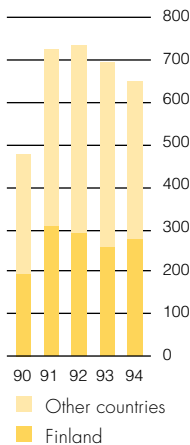
Hackman Designor's basic product range comprises high quality cookware and cutlery as well as glass and porcelain products. In addition, the range includes the industry's best known Finnish and Swedish design names in decorative glass and ceramic art.

Michael Ramm-Schmidt

Hackman Designor designs and produces branded cookware and tableware for demanding customers. Sales take place through distributors who market the value-added nature of our products to customers. We will achieve profitability by efficiently managing the value chain, from raw materials to end-users.

FIM million	1994	1993
Net Sales	652.0	695.7
Outside Finland	372.7	437.0
Operating profit after depreciation	31.3	23.1
% of net sales	4.8	3.3
Investments	42.7	27.7
RNA %	7.6	6.2
Personnel, average	1 590	1 685
Outside Finland	610	692

Net Sales



The Nordic countries are the Division's core market area, but marketing efforts are increasingly focusing on Central and Eastern Europe.

The Division's most important assets are the 20 brand names received in connection with acquisitions carried out between 1989 and 1994. The domestically and internationally recognized Arabia, Hackman, iittala® and Rörstrand trademarks are strategic brands under which our products are marketed throughout all our market areas. Locally strong trademarks, such as Nuutajärvi, Nilsjohan! and Fürst, are used to provide additional value added to products.

Logistics Key to profits

Total market volumes continued to decline in our industry during 1994 in Finland and Sweden. Designor's effective net sales held at last year's level, but Finnmark denominated sales declined because of the strengthening Finnmark rate. The Division continued to increase its market share in the Nordic countries. At the same time systematic cost-cutting and rising productivity improved our financial performance. Designor has made a determined effort to endow its products with the quality and image of a high end European trademark. Elsewhere in the Nordic countries and in Central Europe

Designor's products are sold through specialty shops while in Finland these types of shops have nearly vanished over the past few years. During the year under review Hackman Designor created a chain of authorized Hackman dealers whose selected shops have specialized in tabletop and kitchen products. This concentration of distribution on specialty shop channels and a narrow range of strategically selected products improved Designor's profitability.

Hackman Designor has developed a logistics concept based upon state-of-the-art information technology. The system has guaranteed rapid delivery directly from logistic centers to customers. Delivery and service quality have consequently improved significantly. This concept is an important competitive advantage in the battle for European markets. Accordingly, we have positioned the warehousing and distribution operations for our Austrian, Swiss, Dutch and German

units in Solingen, Germany. Denmark's leading specialty shop chain awarded Designor its "Supplier of the Year" prize. Our logistics concept ensured that we were able to complete deliveries right up to Christmas week. The improvement of our profitability has been a long process, but this process has laid the foundation for ongoing profitability.

Ongoing Production Development

The Arabia Factory 94 program which is aimed at the concentration of the factory's production into a single floor continued in accordance with the project plan. The project was extended during the year when the production of bone porcelain was transferred from the Gustavsberg plant in Sweden to the Arabia plant in Helsinki.

Pia Tornell's Sinus saucers from the Rörstrand Pro Arte collection received the Swedish Utmärkt Svensk Form prize.

A comprehensive decoration and production project was started up at the Rörstrand plant in Sweden's Lidköping. The Hackefors plant was shut down and its operations were transferred at the year end to Lidköping.

Hackman strengthened its position as the Nordic cookware market leader with the acquisition of Oy Alu Ab. Alu's industrial coating activities were sold off at the end of the year because they do not belong to Designor's field of activity.

Birds by Toikka offer an ornithological adventure to Iittala's increasingly international markets.

Rörstrand's Pro Arte collection includes Inger Persson's Trippel vases and jars.

HACKMAN DESIGNOR

Designor took over the complete shareholding of the Hungarian Finn-Ugor cutlery plant during the year. Designor previously held a 50% share in the plant. A comprehensive restructuring project was launched within the unit whose target is to raise production quality.

2000 Years of Corporate Culture

In the aftermath of the acquisitions carried out from 1989 to 1994 Hackman Designor has absorbed 16 different companys. Hackman Designor now has a total of nearly 2000 years of historical traditions and a functioning organization sharing the same basic values. The main structural changes have now been completed and our long term strategy is now in place. The setting and achievement of operational targets now have a firm foundation.

Structural changes aimed at reducing costs as well as rising productivity led to a decline in personnel by 185 persons while the acquisition of Alu and the Hungarian cutlery plant brought an additional 155 persons to the Division.

Specialization, Logistics & Distribution Channels Key in 1995

Productivity will be improved by raising the efficiency of our business units and by concentrating functions to reduce costs. The Iittala glass factory will be developed into a center for volume blown glass and machine-made glass. Nuutajärvi will be developed into an art glass specialist and a glass village, and the Humppila factory will be developed into a tourist center with a working glass blowing workshop. At the Sorsakoski plants a comprehensive project is underway which was started up in 1994. The project is aimed at quality improvement and developing new cookware bases, as well as renewing cutlery production technology and techniques.



James Cook at your Service
– Hackman’s new cookware concept has shaken up traditional cookware thinking.

Hackman’s cutlery collections are becoming more international with Fürst’s high quality cutlery. The Canto collection is shown.

Arabia's Teema tableware and Iittala's Kartio glassware are conquering international glass markets. Kaj Franck's functional designs are going through a dramatic renaissance.

Designor's international distribution has been in the hands of numerous importers and agents for a variety of historical reasons. By taking marketing and distribution increasingly into our own hands and by exploiting our advanced logistics concept we will improve our financial performance in 1995. In Norway Designor took over the marketing of its own glass and porcelain product range, in Holland we took over the Rörstrand products and in Denmark the entire Iittala® range. In the spring of 1995 the sales of our products in Germany, Austria and Switzerland will be taken over in its entirety by our own sales organization. We have chosen 500 key customers from the Division's total pool of specialty shop channels with whom we wish to develop long-term cooperation. We are moving with increasing frequency toward contract-based partnerships with distributors on our main markets. We have had good experience with this type of cooperation and we will continue to develop it. Designor will also focus increasing sales efforts on markets where it can raise volumes with value-added products. We will concentrate on the marketing of a strong, strategic product concept in particular.

Designor will continue to develop its logistics operations, focusing increasingly on the improvement of customer service and satisfaction. In addition, we will raise quality levels across the entire spectrum of our operations. The development of our product range will be continued and inventories will be reduced in order to free up capital. Our Norwegian production and logistics units are already ISO 9000-certified and certification at our other production units is on the home stretch.

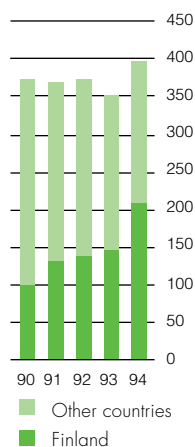
HACKMAN HOUSEHOLD

Mario Patrocollo

Hackman Havi, Hackman Hammarplast and Hackman Cosmetics form the Household Division which produces and markets plastic, ceramic and technochemical consumer products for domestic households and professional kitchens.

FIM million	1994	1993
Net Sales	398.1	353.0
Outside Finland	188.8	205.2
Operating profit after depreciation	16.8	14.2
% of net sales	4.2	4.0
Investments	79.1	20.0
RNA %	12.1	9.9
Personnel, average	525	458
Outside Finland	258	264

Net Sales, FIM million



The Household product range comprises the kitchen and garden plastic products marketed under the Hammarplast and Sarvis brand names, Havi candles, Tend detergents and Mini Risk detergent and personal hygiene products. Cosmetics comprises the licensing and distribution of well-known branded products. Household also optimizes its production capacity utilization by performing qualified contracting and producing products under private label. The Division's core market area is the Nordic countries.

Candles Brighten Profits

The growth in Household sales followed mainly from formation of its newest product group through the acquisitions of Oy Tam-Kos Ab and Tamro's cosmetics operations at the beginning of 1994. The Pet Care product range was divested in summer, 1994.

Plastic product sales and profits declined over the previous year. Plastic raw material prices rose over 40% during the year and we were not able to fully compensate for this in the form of price increases. Plastic sales showed growth in the Nordic countries where Hammarplast is the market leader.

In Finland sales of technochemical product sales grew. Given declining markets overall, this means that Havi's market share has increased. Havi's candles once again achieved an all-time production and sales record on their domestic markets in Finland. Household's operating profit improved and even exceeded targets thanks to Havi's efficiency, organic growth and effective control over fixed costs. Technochemical product sales in Sweden and Norway declined.

Environmental Sensitivity Drives Product Development

During the year under review Household launched numerous environmentally friendly detergents bearing the Nordic Swan mark of ecological sensitivity, including the Nordic countries' first approved dishwashing detergent, Flink. On Finnish markets Havi is the only washing powder supplier which has the Swan mark and this has in turn stimulated sales.

Mini risk is an ecologically sensitive collection approved by the Nordic asthma and allergy associations comprising dishwashing powder, laundry detergents and personal hygiene products. The collection was renewed and re-launched during the year and it had a positive reception which in turn allowed Household to extend its distribution in Sweden to the private trade.

Household's most important investments involved the extension of its warehousing in Finland and Sweden, as well as the improvement of its production line efficiency through automation. The production of Tam-Kos products

Mini Risk is an ecology-sensitive collection of detergents, dishwashing powders and personal hygiene products approved by the Nordic asthma and allergy associations. The Household range also includes Havi candles and a new item; paper napkins and tablecloths.

Hackman Cosmetics represents internationally esteemed cosmetics brands in Finland.

was rationalized. Havi's candle and technochemical plants were ISO 9001-certified during the year. Plastic production operations and Tam-Kos personal hygiene operations are in the process of acquiring certification.

New Products and Increasing Efficiency to Generate Rising Profits

Hammarplast's product range has now been cut back in order to improve its profitability. We have taken aim at restructuring plastics operations by acquiring Dyno Plast's Danish and Norwegian consumer plastics operations at the beginning of 1995 and merging them with Hammarplast. This will strengthen Hammarplast's position as the Nordic market leader.

Hackman Household concluded agreements regarding paper napkins and table cloths at the year end with Suomen Kerta-astiateollisuus Oy.

The launching of ecologically sensitive technochemical products will continue and broadening distribution channels which opened up during 1994 will reinforce the Division's position and improve its financial performance.

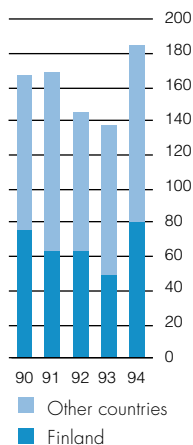
HACKMAN METOS

Juhani Kujala

Hackman Metos designs and markets customized turn-key solutions, machinery, equipment and accessories to professional kitchens under the Metos brand.

FIM million	1994	1993
Net Sales	184.4	137.4
Outside Finland	103.2	88.2
Operating profit after depreciation	- 4.6	- 9.1
% of net sales	- 2.5	- 6.6
Investments	29.4	0.9
RNA %	5.4	- 16.9
Personnel, average	195	112
Outside Finland	66	39

Net Sales, FIM million



Hackman Metos is the market leader in its field in Finland and the number two player in the Nordic countries. Metos supplies both turn-key solutions and individual pieces of kitchen equipment to both private and public professional kitchens. The range also covers a broad array of cookware and tableware. Customers include a wide array of private sector kitchens from café's to first class restaurants and public sector institutions such as schools, hospitals, nursing homes etc.. Hackman Metos has also developed into a major supplier of marine kitchens and supplies many of today's luxury liners with complete galleys.

The company's main markets are the Nordic countries, but Russia, the Baltic countries, Holland, France, Australia and the USA are rapidly emerging as important markets.

The Professional Kitchen Industry is Restructured

The recessionary conditions of the past few years have had a particularly heavy impact on the Nordic professional kitchen market, generating significant profitability problems both for Hackman and its main Finnish competitor, the Instrumentarium-owned Metos Oy. The merger of these two companies' operations in the autumn which resulted in the formation of Hackman Metos has finally laid the foundation for competitive and profitable operations. Hackman has a 60% stake in the company while Instrumentarium retains a 40% share.

At the end of the year Metos acquired Stala Oy's professional kitchen operations. These operations were integrated into the Sorsakoski furnishings plant and were formed into a new company which was named Hackman Stala Tables Ltd.

Substantial Synergies

Metos' operating loss includes FIM 6.4 million in non-recurring restructuring costs related to the formation of the new company. If the influence of these costs is eliminated the company's operating profit shows an improvement of FIM 10.9 million over 1993.

Personnel declined by approximately 50 persons as a result of the elimination of overlapping functions and the integration of the product ranges, production and sales organizations.

Culino kettles and mixers generated a lot of attention at international exhibitions and showed good export growth. A new generation tunnel dish washer was launched at the year end.

Prospects for 1995

The restructuring process will be completed in 1995. This will lead to significant savings. One of our most important targets is to create a new corporate culture while at the same time taking advantage of the benefits gained from rationalization.

The export organization will be strengthened. Important investments

will focus on a new information system which will include a new reporting and MIS system, as well as the implementation of the ISO 9000 quality assurance system.

Demand is expected to pick up on all of Metos' markets with the exception of domestic markets. We also expect demand in Finland to rise toward the end of the year because of the improvement in general economic conditions as well as the pressing need to replace aging machinery in kitchens.

Hackman Metos' objective is to significantly raise both volumes and earnings in order to achieve a profitable performance already in 1995.

One of Hackman Metos' strengths is its ability to supply cooking and dining solutions right down to the table setting. The range includes tableware, cookware and cutlery.

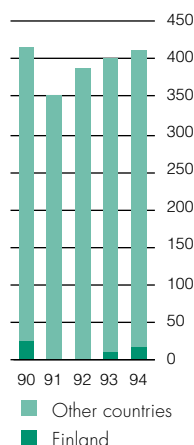
Metos Marine is a world leader in the marine kitchen and galley segment. Marine has supplied galleys to well-known shipping companies such as Carnival Cruise Lines whose Metos Marine-equipped luxury liner "Fantasy" is shown.

HACKMAN FOOD PROCESS

The Hackman Food Process Division comprises units specializing in machinery and equipment and tanks for the food processing industry.

FIM million	1994	1993
Net Sales	412.7	401.2
Outside Finland	395.6	389.8
Operating profit after depreciation	- 12.4	14.8
% of net sales	- 3.0	3.7
Investments	27.4	9.9
RNA %	- 7.0	14.9
Personnel, average	642	540
Outside Finland	612	526

Net Sales,
FIM million



The Division consists of the Hackman Casotec, Hackman Farm Cool, and Hackman Stainless SBAs.

Hackman Casotec's Tebel-MKT designs, produces and markets cheese-making and cheese handling and storage systems. Operations have been concentrated on the Netherlands where the company is headquartered. Tebel-MKT operates on a global basis and marketing activities are carried out in close cooperation with Tetra-Laval which holds a 47% stake in the company.

Hackman Farm Cool markets milk cooling and transport tanks. Hackman Stainless produces equipment and tanks for the food processing industry. Production units are located in France, Sweden, Estonia and Poland. Farm Cool works in close cooperation with Alfa Laval Agri. Products are marketed both under the Wedholms and Prominox brands as well as under the Alfa Laval Agri name.

Hackman Food Process' financial performance was unprofitable. The substantial decline in profitability from last year resulted from the fact that Stainless accepted orders with poor margins at the beginning of the year in an effort to safeguard the employment of key personnel. In addition, a substantial amount of income will not be recognized until 1995 because of postponed deliveries. The increase in personnel resulted from the acquisition of Hubert Stork, as well as the need to acquire additional skilled technical personnel for cheese projects in the face of growing orders.

Cheesemaking Operations Ever Stronger

Investments on the Dairy sector recovered slowly after the GATT agreement was concluded. These investments were concentrated mainly on large scale cheese lines targeted at increasing ca-

capacity and improving competitiveness. During the year under review Casotec's most important deliveries went to Europe and the United States. Casotec received a very large number of new orders during the year and succeeded in

raising its market share. Most of the orders will be delivered in 1995.

Volumes grew mainly as a consequence of the acquisition in April of the Dutch Hubert Stork Cheese Systems. The target of the acquisition was to extend the product range into cheese handling and warehousing systems. The integration of the new operations has for the most part now been completed and the foundation for controlling larger and broader projects has now been laid.

Milk cooling tank markets on Farm Cool's traditional terrain in Finland, Sweden, Germany, Holland and France showed growth, but demand on Spanish and Italian markets declined, mainly as a consequence of these countries' weak currencies. Stainless' industrial tank sales remained at a low level because economic conditions in Europe have not yet strengthened sufficiently to stimulate customers' investments.

Investments in Quality Systems

During 1994 Tebel received its ISO 9001 certification. The company also made technical modifications required for conformance with EU technical and safety standards which will allow application of the CE mark on the products. Farm Cool's Prominox plant initi-

Hackman Casotec strengthened its position on global markets as a turn-key cheesemaking systems supplier with the acquisition of Hubert-Stork Cheese Systems B.V. which produces cheesemaking equipment and storage and handling systems.

Hackman Farm Cool's range covers milk cooling and transport tanks. Milk cooling tank markets in the industrialized countries are substantial.

ated an extensive rationalization investment program aimed at raising production efficiency and reducing throughput times. The program will continue through 1995. Quality programs aimed at certification are also under way in France and Sweden.

Results in 1995

The current level of investments in cheesemaking systems is expected to remain at last year's level. This trend in combination with the healthy order book from 1994 makes for good prospects in 1995 - 1996. The company's most important delivery for 1995 will be a turn-key cheese plant for New Zealand capable of processing 3 million liters of milk per day into Cheddar, Gouda and Mozzarella cheese.

The development and extension of Tebel's operations into cheese handling, packaging and warehousing systems will strengthen the company's position as a turn-key supplier and lays the foundation for healthy growth in the years to come as well.

There are significant markets for milk cooling tanks in the industrializing countries. This follows from the fact that farms are becoming larger and milk pick-ups fewer and farther between. Consequently farms will have to ex-

expand their milk storage capacity and renew their storage tanks. Cooling systems will have to be modified to prevent damage to the ozone layer. This in turn will stimulate demand. Prominox has developed a new digital cooling and cleaning control system which offers farms flexibility, reliability and convenience. The

dairy can easily gather important information and monitor milk treatment activities.

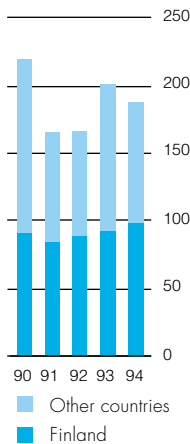
HACKMAN WOOD PROCESS

Markus Nymark

Hackman Wood Process includes the Hackman Process, Hadwaco and Hackman TTT SBAs whose products are directed mainly at the wood processing industry.

FIM million	1994	1993
Net Sales	188.1	200.1
Outside Finland	89.0	108.1
Operating profit after depreciation	18.3	7.5
% of net sales	9.7	3.7
Investments	25.3	13.1
RNA %	17.5	9.0
Personnel, average	371	379
Outside Finland	51	49

Net Sales, FIM million



Hackman Process specializes in stainless steel fabrication activities. It produces customized vessels, tanks and piping systems for its clients. The company's new "displacer", a pulp cleaning machine, has now reached the operational testing phase of its development. The advantages of the displacer are that it does not require investment in a separate building to house it, and it allows for significantly lower operating costs because of lower water and energy consumption.

Hadwaco is the result of another ecology-sensitive innovation. The company's business idea is based upon the development, production and marketing of waste water treatment machinery and equipment based on the concept of recycling waste water and re-using the evaporated solids. The operation principle of the system is an evaporator technology with very low investment costs and low energy consumption. The system is modular and expandable ad infinitum.

Hackman TTT supplies the heavy wood processing industry with tools and knives. The company's range of knives and saw blades are marketed under the TTT, Peerless, Aristocrat and Stridsberg brand names worldwide. Production units are located in Finland and the USA. In 1993 Hackman TTT received its ISO 9002 certification.

Hadwaco in Product Development Phase

In spite of the decline in Division sales, profits increased. At the beginning of 1994 Hackman Prosessi had a very poor order book. By the end of the year the situation had completely reversed itself. At the beginning of 1994 Prosessi sold its Suonenjoki beer keg plant to the Swiss Franke Corporation. This reduced sales for the year.

Hadwaco's operations have focused mainly on product development which

has generated only costs up to now. The Hackman Group has taken the primary role in the financing of Hadwaco's development costs. These development activities have generated interest all over the world. In Sweden a test unit has been on line with a capacity of 300 m³ of water per 24 hour period. Small test units with capacities of 15 m³ per day have been rented to several firms in the industry on a short term basis. The treatment of waste water from garbage dumps as well as polluted land areas are

Hadwaco's waste treatment equipment under testing at a pulp plant.

Hackman Wood Process' traditional businesses include TTT's blades and Process' tanks. These products have taken a solid foothold in their markets.

the newest application areas under investigation.

TTT Market Shares Grew Profitably

TTT's markets showed favorable development and its order book is at a healthy level. Sales on overseas markets have increased significantly and the company has improved its market position with Japan as its newest market area. The streamlining program initiated in 1990 was completed during the year. All of TTT's units and product lines are now profitable. The company's operating profit nearly doubled for the year.

Prospects for 1995

Hackman Wood Process' traditional product areas, TTT's blades and Process's tanks, have consolidated their positions among their clientele. As economic conditions improve these units will improve their financial performance. TTT will focus on active and systematic marketing and sales efforts. New technologies have already been brought on line.

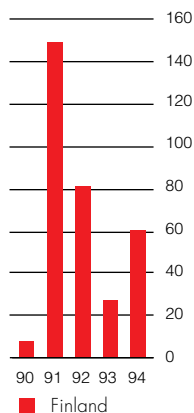
The Process Displacer unit and the Hadwaco waste treatment technology's performance under operating conditions will have a decisive impact on the 1995 development programs concerning these products. Hackman Wood Process is investing in the testing of these technologies under operating conditions in order to ensure that they can be marketed and sold with confidence. Once these tests results prove satisfactory, worldwide sales will grow very quickly. Hadwaco has planned for a few million in Finnmark sales for 1995, but operational activities are not expected to start up until the end of the year.

HACKMAN INVEST

Touko Laine

The Hackman Invest Division functions as a corporate development unit. Invest activities focus on the development and divestiture of operations and associated companies not belonging to the Group's core business areas, in addition to basic securities trading. Hackman has also concentrated responsibility for the care, development and sale of the Group's real estate: forests, industrial, residential and waterfront properties.

**Net Sales,
FIM million**



Acquisitions have brought operations to the Hackman Group which do not belong to its core business activities. Hackman Invest develops and improves these operations, frequently strengthening them with supportive acquisitions and prepares them for divestiture.

Hackman owns approximately 48 000 hectares of forest in the Saimaa section of eastern Finland. The 1994 forestry maintenance and harvesting program was handled on a contract basis by the Enso-Gutzeit forestry department. Large areas of forest border on lake front areas. Hackman Invest zones these waterfront areas for property development purposes.

Invest also strives to have Group properties located near population centers zoned for residential development. The Laivonsaari property development project is the largest project of this type and has been underway for a long period of time. The property is located approximately 5 kilometers from downtown Kuopio, Finland.

Highlights of 1994

At the beginning of 1994 Hackman Meka was sold to the Swiss Franke Group. Hackman's Järvenpää enamel plant was incorporated in connection with the deal. The new unit was named Temal Oy and sold to a private entrepreneur. Hackman remained with the company as a minority shareholder and financier. In a similar manner, the industrial coating operations acquired in connection with the acquisition of Oy Alu Ab were incorporated during the year.

The waterfront protection program initiated by the Finnish government in 1990 had an impact on approximately 2 350 hectares of Hackman waterfront land and forest. Negotiations concerning these assets led to a land swap between Hackman and the government.

Hackman received a surplus sum of FIM 13.4 million as part of the deal.

Security trading activities focused mainly on Finnish equities and market instruments. Net sales totalled FIM 43.0 million, yielding an operating profit of FIM 3.4 million.

Wood Prices on the Rise

Hackman harvested wood from its own forests totalling 75 thousand m³ with a value of FIM 11.8 million (1993: 100 thousand m³; FIM 13.0 million). Annual growth totals approximately 196 thousand m³. Red wood prices at the year end were at FIM 240/m³ and white wood was priced at FIM 82/m³ (FIM 71/m³). The total amount of timber totalled 4.3 million m³ at the year end.

Prospects for 1995

Wood industry markets are looking up and this will generate heavy demand for wood. Hackman's harvesting plan calls for harvesting to match annual forest growth. The zoning of waterfront areas will be stepped up. Our objective is to separate development properties from land to be devoted purely to forestry activities. Demand for waterfront properties is expected to rise but prices are not expected to show more than mild increases.

FIM million	1994	1993
Net Sales	60.3	27.1
Operating profit after depreciation	102.8	16.1
% of net sales	170.5	59.4
Personnel, average	4	3

SHARES AND SHAREHOLDERS

Equity-Related Key Figures

		1990	1991	1992	1993	1994
Earnings/share (EPS)	FIM	-5.02	-25.66	-15.69	1.01	13.27
Cash flow/share	FIM	18.18	-4.58	6.02	27.41	33.72
Equity/share ¹⁾	FIM	194.06	173.63	152.24	151.06	162.28
Dividend/share ²⁾	FIM	2.00	1.40	1.10	1.50	2.00
Dividend/earnings	%	neg.	neg.	neg.	149.1	15.1
Effective dividend yield	%	2.9	3.3	2.2	1.3	1.9
Price/earnings ratio (P/E)		neg.	neg.	neg.	111.4	8.1

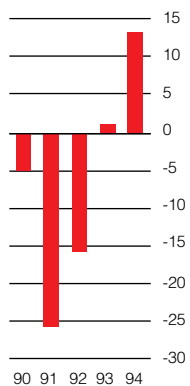
No share issue adjustments over a five year period.

¹⁾ 75% of reserves and retained earnings have been carried as equity and 25% as tax liabilities.

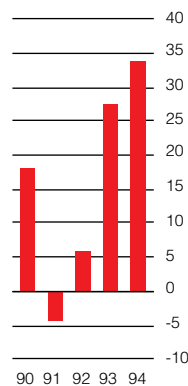
²⁾ Proposal of the Board for 1994.

Calculation of key ratios is on page 26.

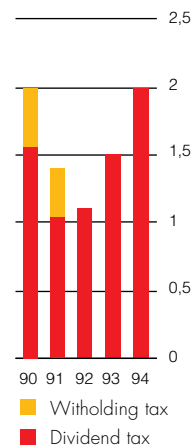
**Earnings/Share,
FIM**



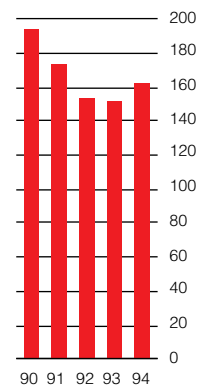
**Cash flow/Share,
FIM**



**Dividend/Share,
FIM**



**Equity/Share,
FIM**



Notice to shareholders

Annual Shareholders' Meeting

Thursday, April 27, 1995, 3:00 PM Oy Hackman Ab headquarters, Hämeentie 135, Helsinki.

All shareholders who have been registered by no later than April 13, 1995 in the official company shareholder register kept by the Central Share Register of Finland may participate in the Annual Shareholders' Meeting.

Notification of attendance no later than April 24, 1994 to:

Oy Hackman Ab, Share Register,
P.O. Box 955, FIN-00561 Helsinki, Finland
or by phone at +358 0 3939 717

Payment of Dividends

The Board of Directors has proposed a dividend of FIM 2.00 per share for 1994 on both A and K shares. The dividend clearing day is to be May 4, 1995 and the date of payment, May 9, 1995 if the proposal of the Board is approved. Shareholders who have not changed over to the Book-Entry Securities System by the clearing day will receive their dividend payment once their shares have been changed over to the system.

Share Capital

The paid in and registered share capital of Oy Hackman Ab is FIM 88 450 000. According to the Articles of Incorporation, the minimum share capital is to be FIM 66 150 000 and the maximum share capital is to be FIM 197 550 000. Within these limits share capital may be adjusted without any changes in the Articles of Incorporation.

Share & Bond Issues

The Hackman Board of Directors was not empowered to raise the share capital of the company in 1994, or to issue any options or bonds, nor have any

such securities been on the market during 1994.

Shares and Voting Rights

Oy Hackman Ab shares carry a face value of FIM 20 and are divided into two types: A shares and K shares. There are 3 582 500 Hackman A shares outstanding or 81.4% of the total shares outstanding. Each A share entitles the holder to one vote at the Annual Shareholders' Meeting. There are 817 500 K shares outstanding or 18.6% of total shares outstanding. Each K share entitles its holder to 20 votes at the Annual Shareholders' Meeting. In addi-

tion, the company's Articles of Incorporation include a repurchasing clause which entitles the company and other K shareholders right of first refusal in the event that K shares come into the possession of persons or entities other than descendants of Commercial Councillor Wilhelm Hackman or Consul Carl Edvin Julius Ekström. In 1982 the company repurchased and invalidated 22 500 K shares. According to the Articles of Incorporation no single shareholder may exercise voting rights in excess of 10% at the Annual Shareholders' Meeting.

Increases in Share Capital 1988 – 1994

Date and Method	Issue Ratio	Issue Price FIM	New Share Volume	Dividend Rights	Increase in Share Capital	New Share Capital
8.4.1988 Fund Issue	1 K = 1 A 1 A = 1 A		1 650 000	1988	33 000 000	66 450 000
9 – 20.5.1988 New Issue	Public Placement	120	700 000	1988	14 000 000	80 450 000
7. 5 – 15.6.1990 Fund Issue	10 K = 1 A 10 A = 1 A		400 000	1990	8 000 000	88 450 000

Shareholders' Equity and Shares 1990 – 1994

	1990	1991	1992	1993	1994
Shareholders' Equity, FIM million	88.5	88.5	88.5	88.5	88.5
Share volume, 1 000 each					
A shares	3 582.5	3 582.5	3 582.5	3 582.5	3 582.5
K shares	817.5	817.5	817.5	817.5	817.5
Total number of shares outstanding	4 400.0	4 400.0	4 400.0	4 400.0	4 400.0
Repurchased invalidated K shares	22.5	22.5	22.5	22.5	22.5
Year end share total	4 400.0	4 400.0	4 400.0	4 400.0	4 400.0
Average share total	4 400.0	4 400.0	4 400.0	4 400.0	4 400.0

No share issue adjustments over a five year period.

The Articles of Incorporation also specify that in the event of a share issue either new K or A shares may be purchased by K shareholders while A shareholders may only purchase new A shares. Both share types entitle the

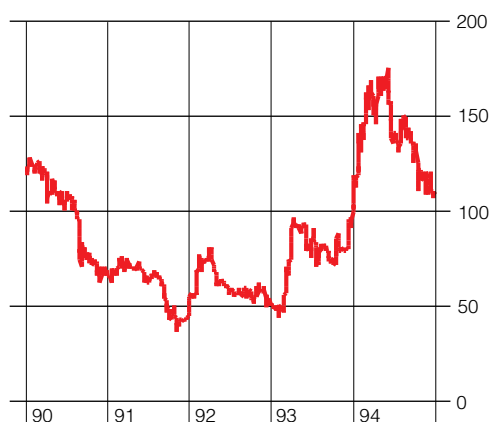
holder to equal dividend rights.

Book-Entry Securities System

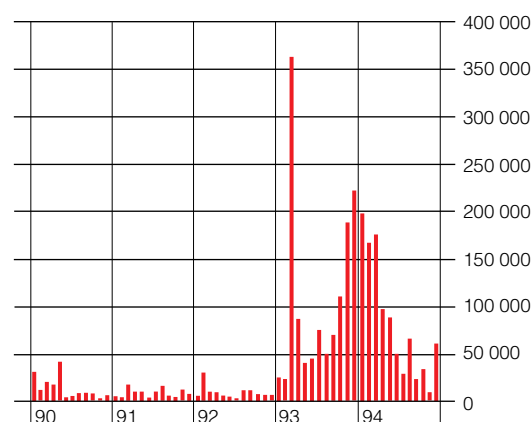
A record of Oy Hackman Ab shares and shareholders is kept in computerized form in the Central Share Register of

Finland. The transfer of the company's shares to the book-entry securities system began on May 2, 1994. The number of shareholders was 2 791 as of the registration date of May 27, 1994 where as it totalled 6 271 prior to the

A Share Prices 1990 - 1994, FIM



A Share Trading Volumes 1990 - 1994



Share Price and Turnover

		1990	1991	1992	1993	1994
Face value	FIM	20.00	20.00	20.00	20.00	20.00
Finnish tax value	FIM	19.00	13.00	9.10	77.00	76.00
A share price	FIM					
average ¹⁾		116.33	63.57	62.49	78.83	145.13
low		63.00	40.00	42.40	43.50	105.00
high		131.00	75.50	80.00	120.00	180.00
year end		70.00	43.00	50.00	112.00	108.00
Year end market value ²⁾	FIM million	308.0	189.2	220.0	492.8	475.2
A share turnover	FIM million	19.6	7.1	7.4	102.2	144.4
share volume	1 000 each	168.5	112.5	118.3	1 296.3	995.2
proportion of A shares						
outstanding	%	4.7	3.1	3.3	36.2	27.8
Total number of shareholders,						
December 31		6 301	6 284	6 268	6 201	3 011

¹⁾ Trading volume of A shares (FIM)/ number of shares traded

²⁾ Total number of shares outstanding at year end x A share year end share price

Largest Shareholders

Book-Entry Securities System, December 30, 1994	K-shares		A Shares		Total Number	Total %	Voting Rights %
	Number	%	Number	%			
1. Henry Hackman	34 545	4.2	111 730	3.1	146 275	3.3	4.0
2. Susanne Hohenthal	35 040	4.3	73 169	2.0	108 209	2.5	3.9
3. Robin Ekström	35 000	4.3	50 000	1.4	85 000	1.9	3.8
4. Anders Antas	35 215	4.3			35 215	0.8	3.5
5. Christer Gripenberg	28 972	3.5	59 937	1.7	88 909	2.0	3.2
6. Johan Gripenberg	27 623	3.4	73 998	2.1	101 621	2.3	3.1
7. Birgitta Reims	27 623	3.4	72 916	2.0	100 539	2.3	3.1
8. Helene Franzén	27 380	3.3	66 438	1.9	93 818	2.1	3.1
9. Peter Fazer	25 865	3.2	92 082	2.6	117 947	2.7	3.1
10. Christina Diehl	27 572	3.4	56 547	1.6	84 119	1.9	3.1
Total	304 835	37.3	656 817	18.3	961 652	21.9	33.9
Board Members and CEO	57 240	7.0	213 849	6.0	271 089	6.2	6.8
The Group Management Team			30 177	0.8	30 177	0.7	0.2

Distribution of Shares

Book-Entry Securities System, December 30, 1994	Shareholders		Shares		Votes	
	Number	%	1 000 each	%	1 000 each	%
1 - 99	1 917	63.7	101	2.3	105	0.5
100 - 999	850	28.2	209	4.8	306	1.5
1 000 - 9 999	164	5.4	469	10.7	1 460	7.3
10 000 - 99 999	71	2.4	2 514	57.1	13 123	65.8
100 000 - 999 999	9	0.3	1 066	24.2	4 887	24.5
Not transferred to book-entry system			41	0.9	51	0.3
Total	3 011	100.0	4 400	100.0	19 932	100.0

Ownership Breakdown by Type

Book-Entry Securities System, December 30, 1994	Shareholders		Shares		Votes	
	Number	%	1 000 each	%	1 000 each	%
Private individuals	2 677	88.9	3 113	70.8	17 754	89.1
Financial institutions	68	2.3	662	15.0	662	3.3
Companies	219	7.3	232	5.3	232	1.2
Non-profit organizations	22	0.7	85	1.9	85	0.4
Non-Finns and nominee registered shareholders	25	0.8	267	6.1	1 148	5.7
Not transferred to book-entry system			41	0.9	51	0.3
Total	3 011	100.0	4 400	100.0	19 932	100.0

transfer to the book-entry securities system. By the end of 1994 a total of 99.1% of the company's shares had been transferred to the system.

Share Listing

Oy Hackman Ab shares were listed on the Helsinki Stock Exchange as of June 1, 1994. The public quotation of the Hackman's shares began on July 19, 1988 with the quotation of the company's shares on the Helsinki OTC exchange which is controlled by the Finnish security brokerage association. During 1994 a total of 995 195 (1993: 1 296 301) A shares, or 27.8% changed

hands with a total value of FIM 144.4 million (FIM 102.2 million). Hackman A shares reached a low of FIM 105 in December of 1994 and high of FIM 180 in May. The share price was FIM 108 at the year end, yielding a total market value of FIM 475.2 million. The average share price for the year was FIM 145.13

Shareholders and Shareholder Agreements

According to the book-entry register Hackman had 3 011 shareholders as of December 30, 1994. Non-Finns and nominee registered shareholders held

a total of 266 714 shares, or 6.1% of the total with voting rights of 5.7 %. The Board and CEO of Hackman were in possession of 57 240 K shares and 213 849 A shares. This represents 6.8 % of the company's voting rights. The Group management team held 30 177 A shares representing 0.2% of the voting rights.

Shareholder Agreements

The company is not aware of any shareholder or other agreements which would have a significant impact on the ownership or voting rights of Oy Hackman Ab.

BOARD OF DIRECTORS AND AUDITORS

From the left:
Jan Hörhammer,
Carl-Olaf Homén,
Thomas Thesleff,
Peter Fazer,
Bo Lundquist and
Curt Lindbom

Board of Directors

- Peter Fazer,** * 1934 Chairman since 1982. Chairman of Oy Karl Fazer Ab. Board Member 1969 – 1980 and since 1982. Term expires 1997. Owner of 92 082 A shares and 25 865 K shares.
- Bo Lundquist,** * 1942. Deputy Chairman. CEO of Esselte AB. Board Member since 1990. Term expires 1996.
- Carl-Olaf Homén,** * 1936. CEO of Industrial Insurance Company. Board Member since 1980. Term expires 1995. Owner of 510 A shares.
- Jan Hörhammer,** * 1945. Division Director of Vaisala Oy. Board Member since 1992. Term expires 1995. Owner of 85 000 A shares and 25 000 K shares.
- Curt Lindbom,** * 1942. CEO of Oy Hackman Ab since 1983. Board Member since 1987. Term expires 1996. Owner of 25 195 A shares.
- Thomas Thesleff,** * 1951. Chairman of Evli Securities Ltd. Board Member since 1991. Term expires 1997. Owner of 11 062 A shares and 6 375 K-shares.

Auditors

Ordinary Auditors
Joe Sundholm,
Authorized Public Accountant
Christina Diehl

Deputy Auditors
Jan Holmberg,
Authorized Public Accountant
Camilla Hackman

LINE MANAGEMENT

Group Management Team

Curt Lindbom, *1942. Chairman. CEO. Employed by Hackman since 1976. Owner of 25 195 A shares.

Hans G. Norman, * 1936. Deputy Chairman. Executive Vice President. Employed by Hackman since 1989. Owner of 830 A shares.

Nils Engström, *1953. Managing Director of Hackman Designor Oy Ab since March 1, 1995. Employed by Hackman since 1990.

Teljo Kolkka, * 1946. Group Business Controller. Employed by Hackman since 1981. Owner of 1 680 A shares.

Touko Laine, *1943. Managing Director of Hackman Invest Oy Ab. Employed by Hackman since 1990. Owner of 10 A shares.

Lars Malmqvist *1946. CFO. Employed by Hackman since 1990. Owner of 214 A shares.

Markus Nymark, * 1946. Managing Director of Hackman Wood Process. Employed by Hackman 1981 – 1989 and since 1992. Owner of 121 A shares.

Mario F. Patrocollo, * 1942. Managing Director of Hackman Household. Employed by Hackman since 1989. Owner of 615 A shares.

Michael Ramm-Schmidt, *1952. Managing Director of Hackman Metos Oy Ab since March 1, 1995. Employed by Hackman since 1989. Owner of 1 512 A shares.

Line Management

Henrik Immonen, *1946. Managing Director of Hackman TTT Oy Ab. Employed by Hackman since 1983.

Lars Janocha, *1943. Managing Director of Hackman Farm Cool. Employed by Hackman since 1988. Owner of 21 110 A shares.

Juhani Kujala, *1944. Director of logistics and material handling since March 1, 1995. Employed by Hackman since 1994.

Olli Nermes, *1956. Managing Director of Hackman Stainless. Employed by Hackman since 1987. Owner of 110 A shares.

Veikko Pitkänen, *1942. Managing Director of Hackman Prosessi Oy Ab. Employed by Hackman since 1964. Owner of 110 A shares.

Leif Ramm-Schmidt, *1948. Managing Director of Hadwaco Ltd Oy. Employed by Hackman since 1994.

Reijo Svanborg, *1943. Managing Director of Hackman Casotec. Employed by Hackman since 1982. Owner of 1 430 A shares.

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Quality and craftsmanship have been characteristic of the Hackman Group throughout its 200 year history. Modern production methods have replaced hand-crafted methods, but there are still areas where no machine can take the place of a skilled hand. In the photo Professor Oiva Toikka looks on as a master glassblower creates Toikka's "Mother Stork", a new item for 1994.

Financial Information

Hackman will publish the following reports in Finnish, Swedish and English:

1994 Annual Report

Week 14

Interim Report, January – April, 1995

Week 24

Interim Report, January – August, 1995

Week 42

These publications can be ordered by writing to
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