

**HACKMAN**

**Annual Report 1996**



The Gluck-pitcher design by Kati Tuominen-Niittyliä was chosen to the Extra Trend Show at the Frankfurt Ambiente Exhibition.

You can't make a classic out of a prosaic product, any more than you make it into a trendsetter. This applies to all products, regardless of the end-user. At the moment, modern design classics are popular in many market segments. Young people are discovering classics such as Arbia's Teema and iittala's® Aalto vase for the first time, while the older generations is nostalgically rediscovering the magic of objects which were considered radical in their time, and were not universally accepted. Today these objects are contemporary – bridges between the past and the future.

Enduring development is an intrinsic part of modern technology and design. An idea can be old or quite new, but it has to be able to follow the spirit of the times. This attitude is characteristic of all Hackman activities, whether it is a question of a growing need for pure water, food processing hygiene or industrial process management.

In 1996 Hackman Designor began to work with a new generation of young designers. The result is a set of new products which are now being tested on the market. New manufacturing solutions will follow in their wake.

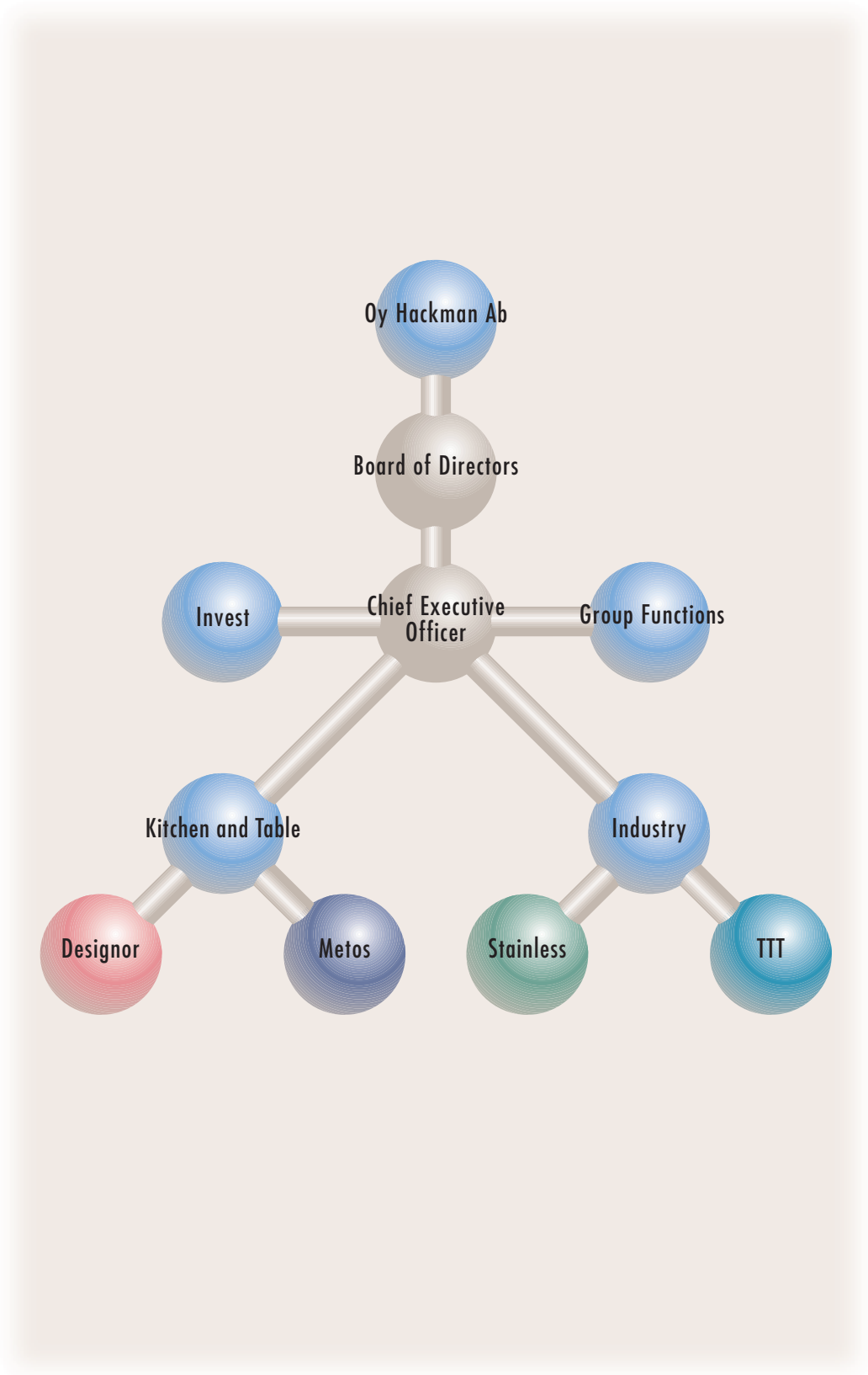
Veteran Hackman designer Heikki Orvola's new 24h mini-tableware collection was given the Design Plus award at the Frankfurt Ambiente exhibition, a prestigious international reference from the world's number one commercial design forum.

In this way Hackman is renewing itself, with respect for the traditions of the past, but with our gaze fixed firmly on the future.

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# Group Structure



# 1996 in Brief

Curt Lindbom stepped down as CEO and Tapio Hintikka took the reigns

The Group's performance was weaker than expected

Hackman Metos took a controlling interest in Wexiödisk

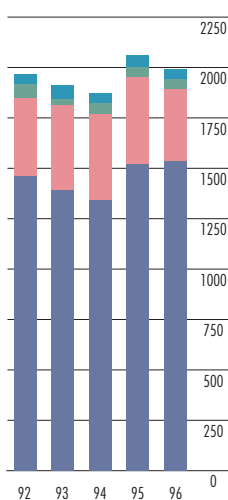
The household plastics and candles were intergrated to Hackman Designor

The Technochemical Unit has been sold in February 1997

		1996	1995	Change	%
Net sales	FIM million	1 993	2 062	-69	-3,3
Outside Finland	FIM million	1 132	1 158	-26	-2,2
Operating profit after depreciation	FIM million	21	94	-74	-78,2
Share of net sales	%	1	5	-4	
Profit before extraordinary items	FIM million	-24	41	-64	-158,3
Share of net sales	%	-1	2	-3	
Gross investments	FIM million	102	143	-41	-28,8
Balance sheet total	FIM million	1 916	1 999	-82	-4,1
Earnings per share (EPS)	FIM	-8,59	3,99	-12,58	
Dividend/earnings	%	neg.	75	-	
Return on investment (ROI)	%	2	7	-5	
Return on equity (ROE)	%	-4	4	-8	
Equity ratio	%	37	36	2	
Number of personnel, December 31		3 204	3 187	17	0,5
Outside Finland		1 448	1 418	30	2,1

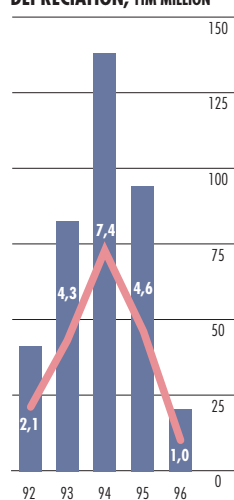
For a complete list of key figures see pages 26 and 43.

NET SALES, FIM MILLION



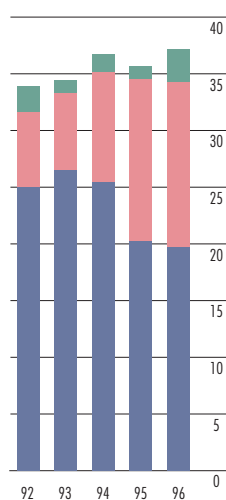
Other countries  
North America  
Other European countries  
Nordic countries

OPERATING PROFIT AFTER DEPRECIATION, FIM MILLION



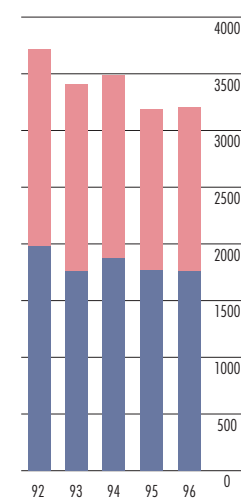
Operating profit  
% of net sales

EQUITY RATIO, %



Minority interest  
Unrestricted equity  
Restricted equity

PERSONNEL, DECEMBER 31



Other countries  
Finland



## Market Overview

There is no doubt that 1996 was a disappointing year for Hackman. The main cause of this performance was simply the lack of adequate volumes. In Hackman Designer consumer spending was the main issue, as our main markets remained static and failed to develop in accordance with our expectations. Stainless also experienced volume difficulties in both of its main segments, milk cooling and process. Structural change in European agriculture has generated uncertainty regarding EU supports and pricing, resulting in the postponement of investments in milk cooling tanks until the shape of the future becomes clearer. Consequently, overca-

capacity continues to prevail in the industry. The process industry, particularly for paper and pulp, had a fair year, but orders dropped off toward the year end in the aftermath of a downturn which hit the forestry sector last summer. Only Hackman Metos and TTT have performed in accordance with expectations.

## Group Structure

The Group structure continued to move forward in a positive direction during the year. The individual Strategic Business Areas (SBA) have become increasingly consolidated. Designer is now exclusively

a consumer-oriented design-product SBA. Hackman Metos has a clear business idea, plan and customer-oriented philosophy for the professional kitchen sector. Stainless has evolved into a classic fabricator with two main customer groups, the process and dairy industries. Hackman TTT has established a strong position as a high technology supplier to international wood processing customers as an independent unit within the Hackman Group.

## New Developments

During the year Hadwaco's waste water purifications process moved toward the commercialization phase though the project has lagged behind schedule. Industrial-scale tests of the Hadwaco process have proven that the technology is viable, and the development of marketable industrial applications is now underway. The design for the first product generation is now ready and the full-scale tests have generated good results. Negotiations with strategic partners aimed at exploiting the full commercial potential of this technology are also in progress. We can now say that Hadwaco's operations have matured from an extensive R&D operation to a running business.

Negotiations concerning the divestiture of TTT to the American Simonds proved inconclusive. The initiative to acquire TTT came from the buyer as part of their own desire to consolidate the industry. We have continued to discuss deeper

industrial cooperation with Simonds on this basis.

Our Household operations have now been restructured and clarified. We integrated the candle consumer plastics business into Designor where there are clear design, sales and distribution synergies. The technochemical operations were integrated into Hackman Invest during 1996 and in February of 1997 we successfully concluded negotiations concerning the divestiture of the technochemical business with our long-term partner, Henkel.

The important Designor logistics project was brought to the implementation phase. This major program has now laid the foundation for a deeper partnership relationship with our key customers.

#### **Financial Performance**

We can not be satisfied with our financial performance. However, cost reductions and the simplification of operations continued throughout the year. Cost-effectiveness and productivity improved, our production units have been modernized and our working methods streamlined, but market volumes were insufficient to optimize capacity utilization. Our development priorities are now shifting from post-acquisition integration activities to marketing. In spite of difficulties we have adapted to shrinking domestic markets

and succeeded in integrating many operational units in accordance with the requirements of an acquisition-driven strategy. Combining the results of a comprehensive internal development program that has been running for many years with strong enough balance sheet that allows us to continue to strengthen our main sectors, gives us reason to believe in the improvement of our financial performance, even if it does take some time.

#### **Future Prospects**

In many business areas we have been operating under conditions of declining demand. The first signs of recovering consumer demand have become apparent in the last few months, but consumer decisions are still marked by a certain degree of uncertainty.

As mentioned earlier, the EU agricultural policy is aimed at structural changes which will in turn require suppliers on traditional markets to make adjustments in their operations. New opportunities on more distant markets exist, and we will exploit them in cooperation with our strategic partners.

There has been a distinct reduction of investments in the forest industry which has generated a declining orderbook in this sector at the beginning of 1997. However, we are operating under the assumption that business conditions for the year as a whole will hold at a reasonable level.

We will not see any rapid improvement in the Group's performance in 1997, but actions taken over many years have significantly lightened our cost structure. This will make higher volumes possible on the strength of improved price-competitiveness supported by active marketing programs.

New working methods will allow us to sell not only products but a set of services both for distributors and consumers.

I am convinced that each one of us at Hackman supports the implementation of a strategy which will honor our traditions while continuously generating innovative new ways to operate. This will lay the foundation for sustained profitability, both in the short and the long term.

Tapio Hintikka  
*Chief Executive Officer*



# Report of the Board of Directors

The Group's financial performance was weaker than expected in the Consumer Products Division. Weaker earnings in the Industry Division also impacted the Group's financial performance. The reorganization of Prominox, weakening demand in the forestry industry and delays in the Hadwaco development program were the main reasons for declining earnings in the Industry Division. Hackman Metos and Hackman TTT showed positive development.

## Changes in Group Structure

At the beginning of the year the consumer plastics and candle operations of Hackman Household were integrated into Designor. Household's technochemical operations were transferred into Hackman Invest. The negotiations with Henkel were started about the sale of the Technochemical Unit. The agreement has been made in February 1997.

Hackman Metos acquired an additional 15 % holding in Wexiödisk Förvaltnings AB. Following this purchase the company's holding rose to 55 %, making Wexiödisk a subsidiary of Hackman Metos.

Hackman concluded agreements in 1995 concerning the sales of forests and waterfront property with value of FIM 334.3 million, of which FIM 182.1 million were executed in 1995 and 71.1 million were executed in 1996. The remaining parts of the sales will be realized during 1997-1998.

## The Net Sales

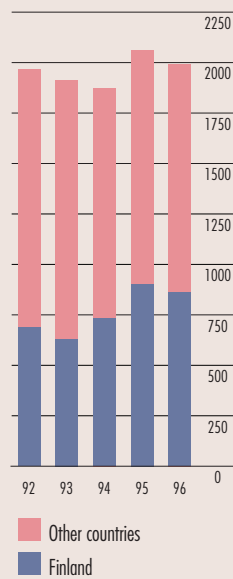
The Group's net sales declined 3,3 % to FIM 1 992.7 million (1995: FIM 2 061.5 million). The divestiture of Hackman Casotec reduced net sales by FIM 91.4 million or 4.4 %. The share of export and offshore income in Group net sales totalled 56.8 % or FIM 1 132.5 million

(56.2 %; FIM 1 158.1 million).

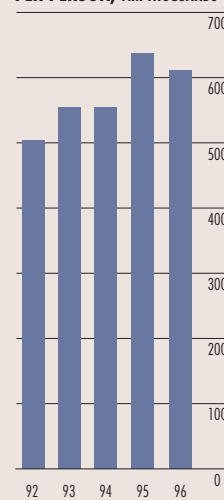
## Profits

The Group's gross margin was FIM 537.8 million or 27.0 % of net sales (FIM 574.3 million; 27.9 %). The operating profit (after depreciation) declined to FIM 20.6 million (94.4 million). The operating profits include non-recurring items total-

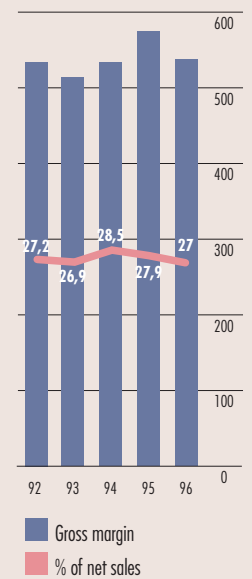
NET SALES, FIM MILLION



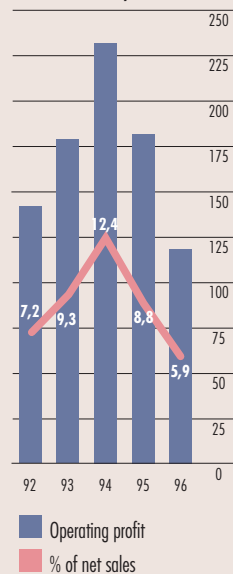
NET SALES PER PERSON, FIM THOUSANDS



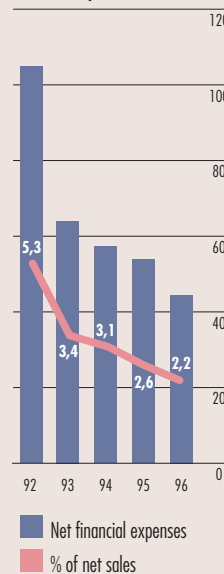
GROSS MARGIN, FIM MILLION



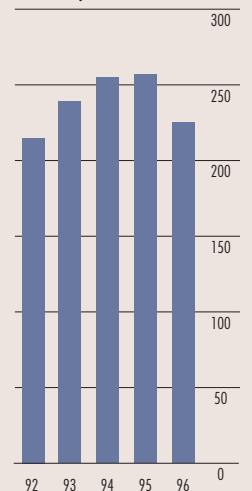
OPERATING PROFIT BEFORE DEPRECIATION, FIM MILLION



NET FINANCIAL EXPENSES, FIM MILLION



VALUE ADDED/PERSON, FIM THOUSANDS





ling FIM -16.4 million (FIM 9.0 million). These figures consist of the Group's restructuring and rationalization costs.

The Group's profit before non-recurring operating items totalled FIM 37.0 million or 1.9 % of net sales (FIM 85.4 million; 4.1 %) and was FIM 48.4 million weaker than in 1995.

Research and development costs totalled FIM 43.2 million (FIM 39.2 million), rental income totalling FIM 2.9 million (FIM 3.3 million) and gains on the sale of fixed assets totalling FIM 0.8 million (FIM 11.2 million) are included in other operating costs. Planned depreciation included in activity-based costs totalled

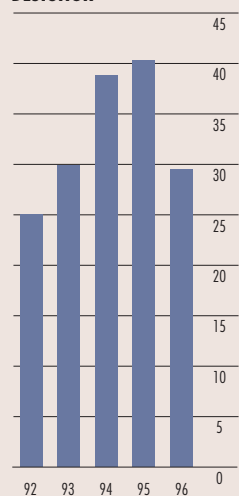
FIM 97.4 million (FIM 86.8 million).

Net financial costs totalled FIM 44.2 million or 2.2 % of net sales (FIM 53.8 million; 2.6 %). The Group's operational profit after financial items and before non-recurring operating items and extraordinary items totalled FIM -7.2 million (FIM 31.6 million).

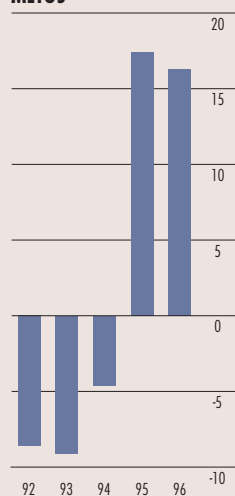
Extraordinary income included gains from Hackman Invest's sale of forest and land totalling FIM 51.1 million (FIM 161.1 million). Most of these gains were a result of revaluation-related income recognition. During 1996 the Group did not have any negative extraordinary items. The profit before appropriations and taxes declined by FIM 156.9 million to FIM 27.4 million (FIM 184.3 million).

Taxes for the year totalled FIM 21.9 million (FIM 52.4 million). Earnings after extraordinary items, taxes and minority interests totalled FIM -1.0 million (FIM 121.0 million).

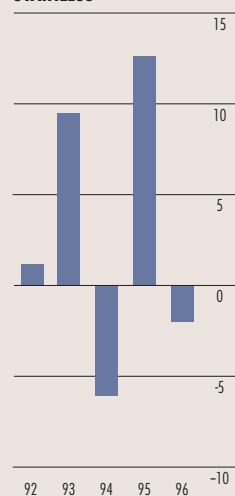
**DESIGNOR**



**METOS**

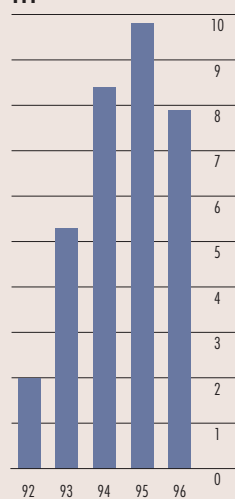


**STAINLESS**

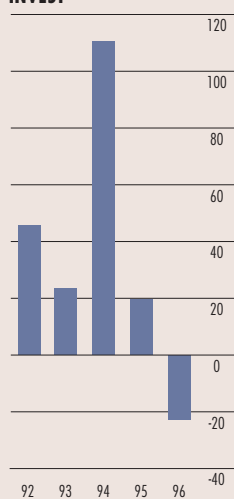


**OPERATING PROFIT AFTER DEPRECIATION, FIM MILLION**

**TTT**



**INVEST**



**Investments and Finance**

The Group's gross investments declined to FIM 101.6 million (FIM 142.6 million). The investments consisted mainly of the purchase of an additional 15 % holding in Wexiödisk Förvaltning AB, and significant production investment in Prosessi, Hadwaco and Iittala factories.

Net working capital totalled FIM 524.1 million at the year end or 26.3 % (FIM 554.9 million; 26.9 %). The Group's liquidity was good throughout the year. Interest bearing liabilities declined during the year by FIM 43.4 million to FIM 769.3 million at the year end. Short term

liabilities totalled FIM 670.5 million (FIM 750.4 million) and long term liabilities totalled FIM 537.1 million (FIM 543.3 million).

### Solvency

The Group's equity totalled FIM 651.2 million (FIM 680.5 million) or FIM 148.00 per share (FIM 154.67). Reserves have been divided into unrestricted equity and tax liabilities. Tax liabilities have been calculated at 28 % of the Finnish and Swedish and 30 % of the other Group company reserves. The Group's balance sheet-based equity ratio stood at 37.2 % as of the year end (35,7 %).

At the end of 1996 the Group had 24 810 hectares of forest, 230 hectares of waterfront property, 82 hectares of industrial property and 23 hectares of residential property. The total consolidated balance sheet value of these assets was FIM 281.7 million. The original agreement with the Finnish authorities called for a total of FIM 334.3 million in the sale of forest and waterfront property. A total of FIM 182.1 million in these deals were executed during 1995 and a total of FIM 71.1 million in forest and land deals were executed during 1996. The remaining part of the deals will be executed during 1997-1998. The remaining payments on deals already closed will be received from 1996 - 1998. The deals will not have any impact on the Group's equity.

### Personnel

At the end of the year the Group had 3 204 employees (3 187). During 1996

on the average employed the The Hackman Group 3 248 persons (3 221).

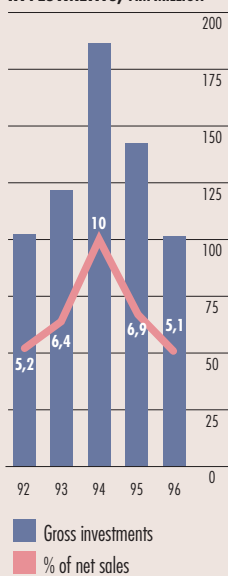
### Divisional Performances

Hackman Designer's net sales totalled FIM 871.2 million (FIM 857.4 million). Sales outside Finland totalled FIM 478.4 million or 54.9 % (58.2 %; FIM 499.4

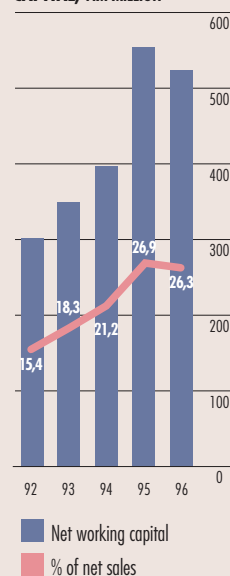
million). Designer's operating profit declined FIM 10.8 million over last year to FIM 29.5 million (FIM 40.3 million). The decline resulted from slim margins and inventory reductions.

Hackman Metos' net sales totalled FIM 417.1 million (FIM 357.3 million). Sales outside Finland totalled FIM 197.0

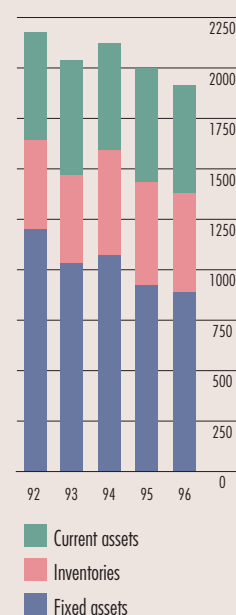
**GROSS INVESTMENTS, FIM MILLION**



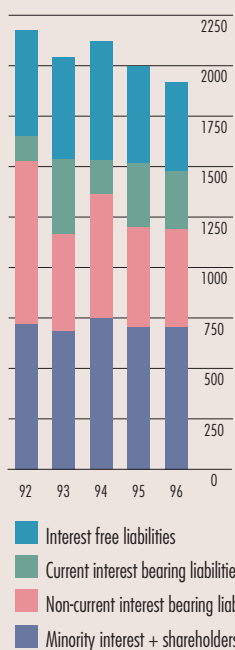
**NET WORKING CAPITAL, FIM MILLION**



**ASSETS, FIM MILLION**



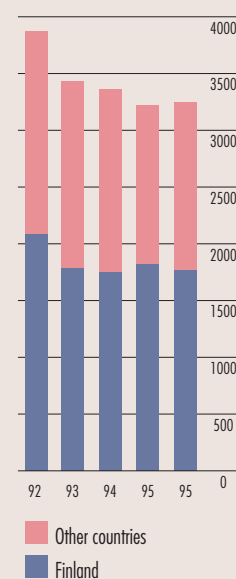
**LIABILITIES, FIM MILLION**



**INTEREST BEARING LIABILITIES, FIM MILLION**



**PERSONNEL, AVERAGE**



million or 47.2 % (FIM 129.9 million; 36.4 %). Metos operating profit of FIM 16.3 million declined FIM 1.1 million over 1995 (FIM 17.4 million). Hackman Metos has in May 1996 acquired the share majority in Wexiödisk Förvaltnings AB. The profit has been influenced by the earlier capital gain, which materialized at

the time as Hackman sold the dishmachine activities in Finland to the Swedish Wexiödisk Group.

Hackman Stainless' net sales totalled FIM 401.2 million (FIM 386.7 million). Sales outside Finland totalled FIM 353.2 million or 88.0 % (FIM 307.4 million; 79.5 %). Stainless' operating profit declined

FIM 14.6 million to FIM -2,0 million (FIM 12.6 million). The drop resulted mainly from costs related to the restructuring of Prominox S.A. which totalled FIM 8.9 million, as well as a FIM 5.2 million drop in Hadwaco's result, which mainly is related to the depreciation on the earlier activated development costs.

Hackman TTT's net sales totalled FIM 117.1 million (FIM 118.5 million). Sales outside Finland totalled FIM 77.6 million or 66.3 % (FIM 79.1 million; 66.7 %). TTT's operating profit declined FIM 1.9 million to FIM 7.9 million (FIM 9.8 million).

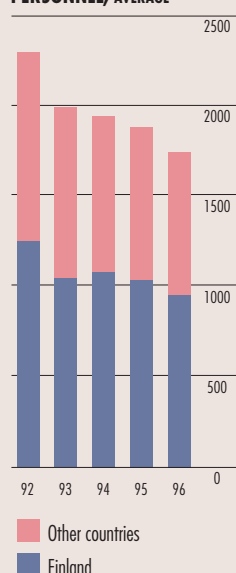
Hackman Invest's net sales totalled FIM 191.4 million (FIM 257.7 million). Technochemical sales declined by FIM 37.9 million and sales of securities dropped by FIM 19.0 million. Sales from timber sold from the Group's forests declined FIM 9.9 million to FIM 6.3 million (FIM 16.2 million). Hackman Invest showed an operating profit totalling FIM -22.7 million (FIM 11.7 million).

The operating profit of 1995 includes the gain on the sale of Tebel-MKT B.V. stocks. Hackman divested the Technochemical Unit to the Henkel Group on 19 February, 1997.

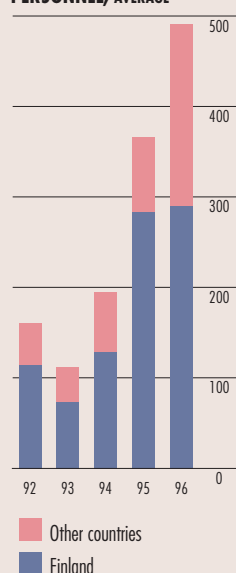
**Future Prospects**

Demand is weak on our main market. Sales are expected to remain during 1997 on the same level as 1996. Mr. Tapio Hintikka followed on 1 January, 1997 Mr. Curt Lindbom as Managing Director of Oy Hackman Ab.

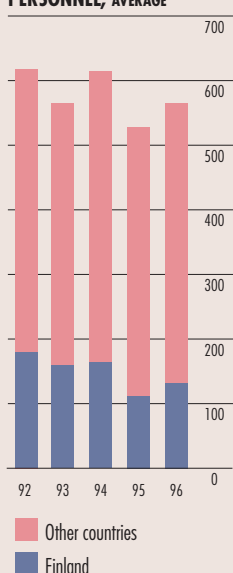
**DESIGNOR PERSONNEL, AVERAGE**



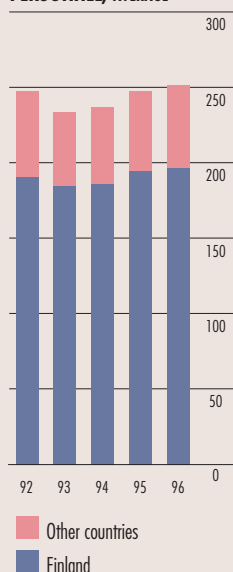
**METOS PERSONNEL, AVERAGE**



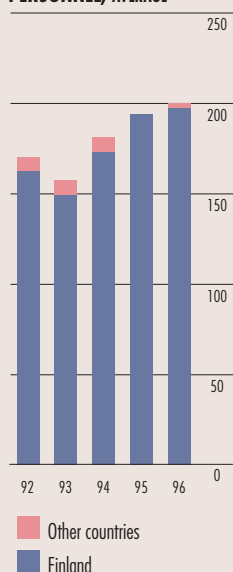
**STAINLESS PERSONNEL, AVERAGE**



**TTT PERSONNEL, AVERAGE**



**INVEST PERSONNEL, AVERAGE**



# Income Statements

FIM millions	Note	Group				Oy Hackman Ab			
		1996	%	1995	%	1996	%	1995	%
<b>Net Sales</b>	1	1 992,7	100,0	2 061,5	100,0	6,8	100,0	16,2	100,0
Cost of Goods Sold	3	-1 454,9		-1 487,3		-2,4		-4,2	
<b>Gross Profit</b>		537,8	27,0	574,3	27,9	4,4	64,2	12,0	74,2
Sales and Marketing Costs	3	-314,3		-318,0					
Administrative Costs	3	-126,4		-126,2		-21,3		-20,3	
Other Operating Costs	3,4	-49,3		-42,1		0,0		0,0	
Other Operating Income	5	9,1		15,5		4,1		5,1	
Non-Recurring Operating Income	6	-16,4		9,0		-13,5		-13,6	
Depreciation of Group Goodwill	3	-20,0		-18,1					
		-517,2		-479,9		-30,8		-28,8	
<b>Operating Profit After Depreciation</b>	7	20,6	1,0	94,4	4,6	-26,4	-386,3	-16,7	-103,1
Financial Income and Expenses	8,9	-44,2	-2,2	-53,8	-2,6	-5,8	-85,4	-14,3	-88,3
<b>Profit After Financial Items</b>		-23,6	-1,2	40,6	2,0	-32,2	-471,7	-31,1	-191,4
Extraordinary Income and Expenses									
Extraordinary Income	10	51,1		161,1		51,1		161,1	
Extraordinary Expenses	10			-17,3				-17,3	
Group Transfers						35,0		36,0	
		51,1		143,8		86,1		179,8	
<b>Profit Before Appropriations and Taxes</b>		27,4	1,4	184,3	8,9	53,9	788,8	148,7	916,2
Change in Excess Depreciation	3,18,19					-0,1		-0,2	
Change in Voluntary Reserves	29								
Direct Taxes									
Current Fiscal Year		-21,9		-50,8		-15,6		-43,4	
Previous Fiscal Years		-1,1		0,8		-0,4		1,9	
Change in Deferred Tax Liability		1,0		-2,3					
		-21,9		-52,4		-15,9		-41,5	
<b>Net Profit</b>		5,5	0,3	131,9	6,4	37,8	553,6	107,7	659,4
Minority Interest		-6,5		-10,9					
<b>Group Interest</b>		-1,0		121,0					

FIM Millions	Group		Oy Hackman Ab	
	1996	1995	1996	1995
<b>Income From Operations</b>				
Operating Profit After Depreciation	20,6	94,4	-26,4	-16,7
Depreciation	97,4	86,8	1,8	1,6
Financial Income and Expenses	-44,2	-53,8	-5,8	-14,3
Extraordinary Items	51,1	143,8	86,1	179,8
Taxes	-21,9	-52,4	-15,9	-41,5
<b>Income From Operations</b>	<b>102,9</b>	<b>218,8</b>	<b>39,7</b>	<b>108,8</b>
Decrease (+)/Increase (-) in Inventories	16,6	11,7	0,0	0,0
Decrease (+)/Increase (-) in Current Receivables	66,7	-69,4	-105,0	-20,2
Decrease (-)/Increase (+) in Short-Term Interest Bearing Liabilities	-47,3	-103,6	-43,6	56,8
Change in Net Working Capital	36,0	-161,2	-148,6	36,6
<b>Cash Flow From Operations</b>	<b>138,9</b>	<b>57,5</b>	<b>-108,9</b>	<b>145,4</b>
Investments in Fixed Assets	-101,6	-142,6	-7,1	-89,5
Income From Sale of Fixed Assets	47,9	190,1	51,9	167,7
<b>Cash Flow Before Financing</b>	<b>85,3</b>	<b>105,0</b>	<b>-64,1</b>	<b>223,6</b>
Increase (-)/Decrease (+) in Non-Current Receivables	-7,4	1,4	105,0	-75,4
Decrease (-)/Increase (+) in Long-Term Debt	-4,5	-126,3	-37,7	-21,9
Decrease (-)/Increase (+) in Short-Term Debt	-32,7	147,4	39,5	36,8
Dividend Payments	-13,2	-8,8	-13,2	-8,8
Other Changes in Shareholders' Equity	-31,2	-150,9	-31,6	-148,3
Increase (+)/Decrease (-) in Minority Interest	24,8	-8,6		
Cash Flow From Financiang	-64,1	-145,7	62,0	-217,6
<b>Cash Flow After Financing</b>	<b>21,1</b>	<b>-40,7</b>	<b>-2,2</b>	<b>6,0</b>
Adjustments	16,1	5,1		
Increase (+)/Decrease (-) in Liquid Assets	37,2	-35,6	-2,2	6,0

# Balance Sheets

FIM million	Note	Group		Oy Hackman Ab	
		1996	1995	1996	1995
<b>ASSETS</b>					
<b>Fixed and Other Long-Lived Assets</b>					
<b>Intangible Assets</b>					
Research and Development investments	11	9,2	8,0		
Intangible Rights	12	24,2	19,9	0,4	
Goodwill	13	8,9	9,4		
Group Goodwill	14,15	79,1	90,1		
Other Long-Lived Assets	16	39,9	31,9	1,7	0,3
Advances and Prepayments		0,0	0,0		
		<b>161,4</b>	<b>159,3</b>	<b>2,1</b>	<b>0,3</b>
<b>Tangible Assets</b>					
Forest, Land and Water	17,21	108,0	133,5	104,0	130,0
Revaluations	17	175,9	200,9	174,0	199,1
Buildings and Structures	18,21	121,5	104,8	15,6	16,3
Revaluations	18	12,6	12,6		
Machinery and Equipment	19	241,7	240,7	1,8	1,5
Other Tangible Assets	20	3,7	4,5	1,5	2,0
Advances and Fixed Assets Under Construction		19,3	15,1		
		<b>682,7</b>	<b>712,1</b>	<b>297,0</b>	<b>349,0</b>
<b>Long-Term Financial Assets</b>					
Shares and Holdings	21,37	9,1	7,9	5,1	4,4
Shares in Associated Companies	21,22,36	1,5	19,3		
Shares in Subsidiaries	21,22,35			345,3	342,3
Loans Receivable	22,23,26	33,2	25,8	33,4	56,1
Other Investments		0,9	0,8		
		<b>44,6</b>	<b>53,8</b>	<b>383,7</b>	<b>402,8</b>
<b>Total Fixed and Other Long-Lived Assets</b>		<b>888,7</b>	<b>925,1</b>	<b>682,8</b>	<b>752,1</b>
<b>Inventories and Financial Assets</b>					
<b>Inventories</b>					
Raw Materials and Supplies		117,3	129,1		
Work in Progress		95,9	116,7		
Finished Goods	24	264,5	254,0		0,0
Other Inventories		12,8	8,6		
Advances and Prepayments		1,5	0,2		
		<b>492,0</b>	<b>508,6</b>		<b>0,0</b>
<b>Receivables</b>					
Accounts Receivable	23,25	374,0	437,2	88,5	135,6
Loans Receivable	25,26	3,1	7,9	232,8	398,0
Accruals and Deferred Income	25	30,4	25,6	3,4	5,5
Other Receivables	23,25	13,6	17,0	288,2	51,2
		<b>421,0</b>	<b>487,7</b>	<b>613,0</b>	<b>590,2</b>
<b>Current Financial Assets</b>					
Other Securities and Investments	24	52,0	36,0	34,9	34,9
<b>Cash and Bank Deposits</b>		<b>62,7</b>	<b>41,5</b>	<b>10,5</b>	<b>12,7</b>
<b>Total Inventories and Financial Assets</b>		<b>1 027,7</b>	<b>1 073,8</b>	<b>658,4</b>	<b>637,8</b>
		<b>1 916,5</b>	<b>1 998,9</b>	<b>1 341,2</b>	<b>1 389,9</b>

FIM million	Note	Group		Oy Hackman Ab	
		1996	1995	1996	1995
<b>Liabilities and Shareholders' Equity</b>					
<b>Equity</b>					
<b>Restricted Equity</b> 27					
Share Capital		88,5	88,5	88,5	88,5
Contingency Fund		162,6	162,6	132,2	132,2
Revaluation Fund		122,5	147,1	122,0	147,0
		373,6	398,2	342,6	367,6
<b>Unrestricted Equity</b> 28					
Operational Fund				134,4	141,0
Retained Earnings		278,7	161,3	214,7	120,9
Net Profits/Loss for the Year		-1,0	121,0	37,8	107,0
		277,6	282,4	386,9	368,9
<b>Shareholders' Equity</b>		<b>651,2</b>	<b>680,5</b>	<b>729,5</b>	<b>736,5</b>
<b>Minority Interest</b>		<b>55,3</b>	<b>23,9</b>		
<b>Reserves</b>					
<b>Accumulated Depreciation in Excess of Plan</b>	18,19			4,9	4,8
<b>Voluntary Reserves</b>	29			9,9	9,9
Other Reserves				9,9	9,9
				9,9	9,9
<b>Mandatory Reserves</b>	30	2,5	0,8		
<b>Liabilities</b>					
<b>Long-Term Liabilities</b>					
Loans From Financial Institutions	31	229,3	244,1	168,6	201,4
Pension Loans	31	255,0	248,1	63,7	68,6
Deferred Tax Liability		52,0	47,5		
Payables					
Other Long-Term Liabilities	31,32	0,7	3,7	0,2	0,2
		537,1	543,3	232,4	270,1
<b>Current Liabilities</b>					
Loans From Financial Institutions		236,2	279,2	153,8	111,0
Pension Loans		16,0	16,3	4,8	5,2
Advances and Prepayments		19,6	23,9		
Payables	32	131,2	153,1	3,8	10,1
Accruals and Deferred Expenses	32	147,3	180,6	18,3	47,5
Other Current Liabilities	32	120,1	97,3	183,7	194,7
		670,5	750,4	364,4	368,5
<b>Liabilities</b>		<b>1 207,5</b>	<b>1 293,7</b>	<b>596,8</b>	<b>638,7</b>
		<b>1 916,5</b>	<b>1 998,9</b>	<b>1 341,2</b>	<b>1 389,9</b>



# Accounting Principles

The financial statements have been prepared in accordance with current Finnish accounting legislation. The income statement has been organized by business activity as required by law.

## 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 included in The Group's reporting from the day the Group took over the management of the company. The accounts of divested companies are included in Group reporting up to 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 Group share ownership 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 and the shares and the total value of the subsidiary is recorded either under fixed assets, subsidiary goodwill or Group reserves (badwill). New goodwill in subsidiaries is depreci-

ated straight line over 5 years. Old goodwill is depreciated over 10 years and the Group reserve is amortized over a period of 3 years. That part of goodwill which corresponds to subsidiary reserves is depreciated at the same rate as the reserves which were taken over at the point of acquisition.

The financial statements of foreign companies are converted into Finnish marks so that the income statement is converted using the average exchange rate of the year. The balance sheet is converted using the official year end rate of the Bank of Finland. The conversion discrepancy pertaining to subsidiary equity arising from the difference between the year end exchange rate and the rate of exchange at the point of acquisition is eliminated by carrying the difference directly under the Group's unrestricted equity.

Associated companies are firms in which the Group has a 20-50 % holding. Associated companies have been consolidated using the equity method. The percentage of associated company's profits which conforms to the Group's holding is recorded in the Group Income Statement as a financial item.

## Foreign Currency Items

The foreign currency denominated receivables, as well as other liabilities to the parent company and domestic subsidiaries, have been converted into Finnish marks

at the official year end rate of the Bank of Finland. Exchange rate gains and losses are presented in net form because all currency transactions take place in foreign currency accounts and are only converted into Finnish marks at the year end for the annual report. All exchange rate gains and losses are presented as financial items in the income statements. Hedging instruments related to foreign currency still open at the year end are valued in accordance with the year end rate, including interest.

## Pension liabilities

Currently employed persons in Finland are insured through pension insurance companies. Non-current pension liabilities prior to the current pension legislation are presented in the Notes under Note 2. Non-Finnish pension insurance has been organized in accordance with the legislation and procedures prevailing in each country. The Group does not have its own pension fund.

## Research and Development

All research and development costs have been charged against the year during which they occurred, except for the some projects which have not yet been completed.

### Depreciation and Valuation of Fixed Assets

Fixed assets are capitalized using their original acquisition price. Planned depreciation is calculated straight line on the basis of the asset's economic lifetime and the acquisition cost as follows:

- stone and corresponding buildings 30 years
- other buildings 20 years
- machinery and equipment 10 years
- cars, office equipment and electronics 5 years

The depreciation figures for Finnish subsidiaries are based on the current tax regulations while the figures for foreign subsidiaries generally match the planned depreciation. The difference between the actual (tax-related) and planned depreciation is shown in the income statement.

The accumulated difference between the planned and actual depreciation is split between tax liabilities and unrestricted equity.

In reviewing the figures contained in notes 11-20 one should take note of the fact that the figures of foreign subsidiaries have been influenced by exchange rate fluctuations. This is why the balance sheets for the end of 1995 and the beginning of 1996 do not precisely match.

### Leasing

Leasing costs have been carried under rent. The Group has no major leasing items.

### Revaluation

Revaluation of landed assets prior to 1974 are included in the book value for these assets value while post-1974 revaluations are presented as a separate item in the balance sheet below the landed assets.

The counter items have been the contingency fund or the revaluation fund within restricted equity. At the point of sale, the revaluation of the assets have been eliminated and recognized as income in the income statement.

### Inventory Valuation

Inventories have been valued in accordance with their acquisition price, resale price or probable selling price, whichever is lowest, using the FIFO principle. The inventories of all subsidiaries include both direct and indirect costs of items procured for production.

### General Untaxed Reserves

Corporate taxation in Finland is based upon the official financial statements contained in the annual report. Deductions are presented at the income statement. Voluntary reserves are general tax-free deductions which are allowed by law and are intended to provide a buffer

against future losses. The cumulative figures for these tax items contained in income statement are shown as a separate item under assets in the balance sheet. In the Group balance sheet voluntary reserves have been divided into two parts. For Finnish and Swedish companies they have been split into unrestricted equity and tax liabilities using a 72/28 divisor. For foreign companies the divisor is 70/30. The nominal tax liability is shown in the balance sheet as a long-term interest-free liability.

# Notes to the Financial Statements

Notes to the Income Statement, FIM Millions		Group		Oy Hackman Ab	
		1996	1995	1996	1995
<b>1. Net Sales</b>	<b>Net Sales by Division</b>				
	Designor	871,2	857,4	-	-
	Metos	417,1	357,3	-	-
	Stainless	401,2	386,7	-	-
	TTT	117,1	118,5	-	-
	Invest	191,4	257,7	6,8	16,4
	Casotec	-	91,4	-	-
	Other + Internal Sales	-5,2	-7,5	-	-0,2
	<b>Total</b>	<b>1 992,7</b>	<b>2 061,5</b>	<b>6,8</b>	<b>16,2</b>
	<b>Net Sales by Country</b>				
	Finland	1 113,5	1 191,7	6,8	16,2
	Sweden	534,2	475,8	-	-
	Norway	190,1	183,0	-	-
	Denmark	68,8	71,2	-	-
	The Netherlands	23,6	100,6	-	-
	France	190,0	187,9	-	-
	Germany	42,9	46,3	-	-
	Austria	5,2	5,2	-	-
	Switzerland	1,7	3,9	-	-
	Estonia	6,9	4,1	-	-
	Poland	15,6	9,1	-	-
	Hungary	4,2	6,4	-	-
	Russia	0,0	0,0	-	-
	USA	40,2	37,8	-	-
	Intra-Group	-244,2	-261,7	-	-
	<b>Total</b>	<b>1 992,7</b>	<b>2 061,5</b>	<b>6,8</b>	<b>16,2</b>
		<b>1996</b>	<b>%</b>	<b>1995</b>	<b>%</b>
	<b>Geographic Distribution of Net Sales</b>				
	Nordic Countries	1 532,7	76,9	1 519,2	73,7
	Other Europe	357,8	18,0	431,0	20,9
	North America	49,8	2,5	50,3	2,4
	Other	52,5	2,6	61,0	3,0
	<b>Total</b>	<b>1 992,7</b>	<b>100,0</b>	<b>2 061,5</b>	<b>100,0</b>
		<b>1996</b>	<b>%</b>	<b>1995</b>	<b>%</b>
<b>2. Personnel Costs</b>					
	Salaries and Benefits	438,8	422,8	8,3	7,2
	Pension Costs	74,5	70,3	0,5	1,3
	Other Personnel Costs	116,2	120,2	0,8	1,4
	<b>Total</b>	<b>629,5</b>	<b>613,3</b>	<b>9,6</b>	<b>9,9</b>
	Compensation to the Board and CEO	11,6	11,0	1,6	1,5
	<b>Total Salaries and Benefits</b>	<b>433,1</b>	<b>420,6</b>	<b>8,0</b>	<b>7,2</b>
	Pension Liabilities	6,9	8,1	2,8	2,8

		Group		Oy Hackman Ab	
		1996	1995	1996	1995
3. Depreciation	<b>Planned Depreciation</b>				
	Research and Development	-	-	-	-
	Intangible Rights	2,8	1,7	-	-
	Goodwill	1,8	1,4	-	-
	Other Long-Lived Assets	8,5	6,2	0,2	0,1
	Buildings and Structures	6,9	5,8	0,8	0,8
	Machinery and Equipment	56,2	52,5	0,5	0,6
	Other Tangible Assets	1,2	1,1	0,3	0,1
	<b>Total</b>	<b>77,4</b>	<b>68,7</b>	<b>1,8</b>	<b>1,6</b>
	Group Goodwill	20,0	19,6	-	-
	Group Reserve	-	-1,5	-	-
	<b>Total</b>	<b>20,0</b>	<b>18,1</b>	<b>-</b>	<b>-</b>
	<b>Changes in Excess Depreciation</b>				
	Buildings	19,0	0,5	-	0,1
	Machinery and Equipment	7,2	9,1	-	0,1
Gains/Losses on Sale of Fixed Assets	-	-	0,1	-	
<b>Total</b>	<b>26,2</b>	<b>9,7</b>	<b>0,1</b>	<b>0,2</b>	
<b>Activity-Based Depreciation</b>					
Cost of Goods Sold	55,8	49,7	0,3	0,2	
Sales and Marketing	5,8	7,0	-	-	
Administration	12,1	10,7	1,5	1,4	
Other Operating Costs (R&D)	3,7	1,3	-	-	
<b>Total</b>	<b>77,4</b>	<b>68,7</b>	<b>1,8</b>	<b>1,6</b>	
4. Other Operating Costs	Research and Development	43,2	39,2	-	-
	Losses on Sale of Fixed Assets	0,1	0,2	-	-
	Compensation for Damages	-	0,3	-	-
	Other	6,1	2,4	-	-
	<b>Total</b>	<b>49,3</b>	<b>42,1</b>	<b>-</b>	<b>-</b>
5. Other Operating Income	Rental Income	2,9	3,3	3,7	4,5
	Gains on Sale of Fixed Assets and business	0,8	6,9	0,4	0,6
	Compensation for Damages	0,1	1,1	-	-
	Other	5,4	4,2	-	-
	<b>Total</b>	<b>9,1</b>	<b>15,5</b>	<b>4,1</b>	<b>5,1</b>
6. Non-Recurring Operating Income	Gains on Sale of Fixed Assets	4,4	31,2	-	-
	Restructuring Costs	-16,3	-16,6	-5,2	-11,0
	Other Extraordinary Items	-4,5	-5,6	-8,3	-2,6
	<b>Total</b>	<b>-16,4</b>	<b>9,0</b>	<b>-13,5</b>	<b>-13,6</b>
7. Operating Profit After Depreciation by Division	Designor	29,5	40,3	-	-
	Metos	16,3	17,4	-	-
	Stainless	-2,0	12,6	-	-
	TTT	7,9	9,8	-	-
	Invest	-22,7	16,1	0,6	9,8
	Casotec	-	7,0	-	-
	Others + Internal Eliminations	-8,4	-8,7	-27,0	-26,5
	<b>Total</b>	<b>20,6</b>	<b>94,4</b>	<b>-26,4</b>	<b>-16,7</b>

		Group		Oy Hackman Ab	
		1996	1995	1996	1995
<b>8. Intra-Group Financing</b>	<b>Financial Income From Group Companies</b>				
	Dividend Income			-	-
	Interest Income From Long-Term Investments			-	-
	Interest Income From Short-Term Investments			17,4	17,2
	Other Financial Income			5,6	0,1
	<b>Total</b>			<b>23,0</b>	<b>17,3</b>
	<b>Financial Expenses From Group Companies</b>				
	Interest Expenses			4,3	6,9
	Other Financial Expenses			-	3,2
	<b>Total</b>			<b>4,3</b>	<b>10,1</b>
<b>9. Financial Income and Expenses</b>	Dividend Income From Group Companies	-	-	-	-
	Other Dividend Income	0,1	4,7	0,1	0,3
	Interest Income From Long-Term Investments	1,3	2,7	0,2	0,6
	Interest Income From Short-Term Investments	4,8	5,5	20,9	23,2
	Other Financial Income	1,7	1,1	0,3	0,1
	Exchange Rate Gains/Losses	2,4	-2,0	3,1	-
	Share in Profits/Losses of Associated Companies	0,2	0,0	-	-
	Interest Expenses	-50,4	-61,9	-29,4	-37,3
	Other Financial Expenses	-4,3	-3,8	-1,0	-1,2
	<b>Net Financial Items</b>	<b>-44,2</b>	<b>-53,8</b>	<b>-5,8</b>	<b>-14,3</b>
<b>10. Extraordinary Items</b>	<b>Extraordinary Income</b>				
	Gains on Sale of Forest	51,1	161,1	51,1	161,1
	<b>Total</b>	<b>51,1</b>	<b>161,1</b>	<b>51,1</b>	<b>161,1</b>
	<b>Extraordinary Expenses</b>				
	Bankruptcy-related Refunds	-	17,3	-	17,3
	<b>Total</b>	<b>-</b>	<b>17,3</b>	<b>-</b>	<b>17,3</b>
	Gains on land sales include recognition of revaluations.				
	Refunds required by the courts to be paid to the bankruptcy of Novera have been recorded under extraordinary items.				

Notes to the Balance Sheet, FIM million		Group		Oy Hackman Ab	
		1996	1995	1996	1995
<b>11. R&amp;D Investments</b>	Acquisition Value January 1	8,0	6,9	-	-
	Investments Jan. 1- Dec. 31.	1,3	2,1	-	-
	Fixed Asset Disposals Jan. 1- Dec. 31	-1,0	-1,0	-	-
	Acquisition Value December 31	9,2	8,0	-	-
	Accumulated Planned Depreciation Jan. 1	-	-	-	-
	Acc. Depr. on Disposed Assets Jan. 1-Dec. 31	-	-	-	-
	Planned Depreciation Jan. 1-Dec. 31	-	-	-	-
	<b>Book Value December 31</b>	<b>9,2</b>	<b>8,0</b>	<b>-</b>	<b>-</b>
<b>12. Intangible Assets</b>	Acquisition Value January 1	24,9	25,2	-	-
	Investments Jan. 1- Dec. 31.	7,1	3,9	0,4	-
	Sold Rights Jan. 1- Dec. 31	-0,4	-8,0	-	-
	Acquisition Value December 31	31,6	21,2	0,4	-
	Accumulated Planned Depreciation Jan. 1	-4,6	-4,3	-	-
	Acc. Depr. on Disposed Assets Jan. 1-Dec. 31	0,0	4,7	-	-
	Planned Depreciation Jan. 1-Dec. 31	-2,8	-1,7	-	-
	<b>Book Value December 31</b>	<b>24,2</b>	<b>19,9</b>	<b>0,4</b>	<b>-</b>

		Group		Oy Hackman Ab	
		1996	1995	1996	1995
<b>13. Goodwill</b>	Acquisition Value January 1	12,5	27,4	-	-
	Investments Jan. 1- Dec. 31	1,1	1,0	-	-
	Sold Rights Jan. 1- Dec. 31	-0,2	-16,3	-	-
	Acquisition Value December 31	13,4	12,1	-	-
	Accumulated Planned Depreciation Jan. 1	-2,9	-5,8	-	-
	Acc. Depr. on Disposed Assets Jan. 1-Dec. 31	0,2	4,6	-	-
	Planned Depreciation Jan. 1-Dec. 31	-1,8	-1,4	-	-
	Book Value December 31	8,9	9,4	-	-
<b>14. Group Goodwill</b>	Acquisition Value January 1	184,6	198,4		
	Investments Jan. 1- Dec. 31	8,0	0,3		
	Sold Rights Jan. 1- Dec. 31	-	-15,1		
	Acquisition Value December 31	192,6	183,6		
	Accumulated Planned Depreciation Jan. 1	-93,5	-84,7		
	Acc. Depr. on Disposed Assets Jan. 1-Dec. 31	-	10,8		
	Planned Depreciation Jan. 1-Dec. 31	-20,0	-19,6		
	Book Value December 31	79,1	90,1		
<b>15. Group Reserve</b>	Acquisition Value January 1	5,1	4,2		
	Investments Jan. 1- Dec. 31	-	0,9		
	Sold Rights Jan. 1- Dec. 31	-	-		
	Acquisition Value December 31	5,1	5,1		
	Accumulated Planned Depreciation Jan. 1	-5,1	-3,6		
	Acc. Depr. on Disposed Assets Jan. 1-Dec. 31	-	-		
	Planned Depreciation Jan. 1-Dec. 31	-	-1,5		
	Book Value December 31	0,0	0,0		
<b>16. Other Long-Lived Assets</b>	Acquisition Value January 1	61,6	48,7	1,2	1,7
	Investments Jan. 1- Dec. 31	16,3	16,2	1,6	-
	Sold Rights Jan. 1- Dec. 31	-0,1	-3,2	-0,1	-0,5
	Acquisition Value December 31	77,9	61,7	2,7	1,2
	Accumulated Planned Depreciation Jan. 1	-29,8	-24,1	-0,9	-1,3
	Acc. Depr. on Disposed Assets Jan. 1-Dec. 31	0,3	0,5	0,1	0,5
	Planned Depreciation Jan. 1-Dec. 31	-8,5	-6,2	-0,2	-0,1
	Book Value December 31	39,9	31,9	1,7	0,3
<b>17. Forest, Land &amp; Water</b>	Acquisition Value January 1	133,6	184,9	130,0	179,4
	Investments Jan. 1 - Dec. 31	1,0	0,3	0,2	0,3
	Fixed Asset Disposals Jan. 1-Dec. 31	-26,6	-51,6	-26,2	-49,7
	Acquisition Value December 31	108,0	133,5	104,0	130,0
	Revaluation January 1	200,9	316,3	199,1	314,5
	Increase Jan. 1 - Dec. 31	-	-	-	-
	Decrease Jan. 1 - Dec. 31	-25,0	-115,4	-25,0	-115,4
	Revaluation December 31	175,9	200,9	174,1	199,1

		Group		Oy Hackman Ab	
		1996	1995	1996	1995
<b>18. Buildings &amp; Structures</b>	Acquisition Value January 1	156,1	150,8	22,3	22,3
	Investments Jan. 1- Dec. 31	23,2	19,4	0,1	-
	Fixed Asset Disposals Jan. 1- Dec. 31	-3,0	-11,1	-	-
	Acquisition Value December 31	176,3	159,1	22,4	22,3
	Accumulated Planned Depreciation Jan. 1	-49,9	-48,6	-6,0	-5,2
	Acc. Depr. on Disposed Assets Jan. 1-Dec. 31	1,7	0,0	-	-
	Planned Depreciation Jan. 1-Dec. 31	-6,7	-5,8	-0,8	-0,8
	Book Value December 31	121,5	104,8	15,6	16,3
	Accumulated Depreciation in Excess of Plan January 1	28,1	27,6	4,5	4,4
	Increase in Excess Depreciation Jan. 1 - Dec. 31	19,2	0,9	-	0,1
	Decrease in Excess Depreciation Jan. 1 - Dec. 31	-0,3	-0,3	-	-
	Accumulated Depreciation in Excess of Plan December 31	47,1	28,1	4,5	4,5
	Revaluation January 1	12,5	12,6	-	-
	Increase Jan. 1 - Dec. 31	0,4	-	-	-
	Decrease Jan. 1 - Dec. 31	-0,2	-	-	-
Revaluation December 31	12,6	12,6	-	-	
<b>19. Machinery and Equipment</b>	Acquisition Value January 1	716,0	629,3	3,1	2,7
	Investments Jan. 1- Dec. 31	66,6	79,0	1,0	0,8
	Fixed Asset Disposals Jan. 1- Dec. 31	-14,8	-2,4	-0,7	-0,4
	Acquisition Value December 31	767,9	705,9	3,4	3,1
	Accumulated Planned Depreciation Jan. 1	-472,8	-416,6	-1,6	-1,4
	Acc. Depr. on Disposed Assets Jan. 1-Dec. 31	2,8	3,9	0,5	0,4
	Planned Depreciation Jan. 1-Dec. 31	-56,2	-52,5	-0,5	-0,6
	Book Value December 31	241,7	240,7	1,8	1,5
	Accumulated Depreciation in Excess of Plan January 1	70,2	61,1	0,3	0,2
	Increase in Excess Depreciation Jan. 1 - Dec. 31	11,0	11,5	-	-
	Decrease in Excess Depreciation Jan. 1 - Dec. 31	-3,7	-2,6	-	-0,1
	Gain on sale Jan.1-Dec. 31	-	0,2	0,1	0,2
	Accumulated Depreciation in Excess of Plan December 31	77,4	70,2	0,4	0,3
	Share of machinery and equipment in book value December 31	165,8	199,7	-	-
	<b>20. Other Tangible Assets</b>	Acquisition Value January 1	9,2	9,9	2,1
Investments Jan. 1- Dec. 31.		0,9	1,4	0,1	0,2
Fixed Asset Disposals Jan. 1- Dec. 31		-0,4	-2,1	-0,4	-2,1
Acquisition Value December 31		9,6	9,3	1,8	2,1
Accumulated Planned Depreciation Jan. 1		-4,8	-4,4	-0,1	-0,7
Acc. Depr. on Disposed Assets Jan. 1-Dec. 31		0,0	0,7	-	0,7
Planned Depreciation Jan. 1-Dec. 31		-1,2	-1,1	-0,3	-0,1
Book Value December 31		3,7	4,5	1,4	2,0



		Group		Oy Hackman Ab		
		1996	1995	1996	1995	
21. Fixed Asset Tax Values	Land	117,4	116,8	108,1	110,7	
	Buildings and structures	133,4	68,1	12,3	12,8	
	Shares and holdings	7,5	6,3	5,2	5,1	
	Subsidiary shares	-	-	229,5	316,8	
	Assets with no confirmed tax or book value	1,9	25,8	-	-	
22. Long-Term Financial Assets Group and Associated Companies	<b>Group companies</b>					
	Shares			345,3	342,3	
	Loans receivable			31,0	38,8	
	Total			376,3	381,1	
	<b>Associated companies</b>					
	Shares			-	-	
	Loans receivable			-	-	
	Total			-	-	
	23. Receivables Due After One Year or Later	Accounts receivable	1,5	114,1	-	82,2
		Loans receivable	33,2	25,8	33,4	56,1
Other receivables		3,8	3,5	-	-	
Total		38,5	143,4	33,4	138,3	
24. Market Value of Current Financial Assets	Securities in inventory	-	0,3	-	-	
	Investments	54,5	36,4	34,9	35,4	
	Total market value	54,5	36,8	34,9	35,4	
	Corresponding book value	52,0	36,3	34,9	34,9	
	Difference	2,5	0,5	0,0	0,5	
25. Receivables From Group and Associated Companies	Accounts receivable/Group companies			1,7	0,9	
	Deferred income/Group companies			1,0	2,4	
	Loans receivable/Group companies			231,8	390,9	
	Loans receivable/associated companies			-	-	
	Other receivables/Group companies			286,5	51,0	
	Other receivables/associated companies			-	-	
Total			521,0	445,2		
26. Executive Pension Liabilities and Loans to the Shareholders	The retirement age for Group company managing directors is 60-67 years					
	The retirement age for the managing director of the parent company is 60 years					
	Loans granted to the managing directors and board members	0,8	1,4	0,1	0,6	
Repayment periods vary from 0 - 12 years and are usually of the bullet type						
The interest rate is set at the Bank of Finland's prime rate +1%						

		Group		Oy Hackman Ab		
		1996	1995	1996	1995	
27. Restricted Equity	Share capital Jan. 1	88,5	88,5	88,5	88,5	
	Share capital Dec. 31	88,5	88,5	88,5	88,5	
	Contingency fund Jan. 1	162,6	165,2	132,2	132,2	
	Decrease Jan. 1 - Dec. 31	-	-2,6	-	-	
	Contingency fund Dec. 31	162,6	162,6	132,2	132,2	
	Revaluation fund Dec. 31	147,1	262,4	147,0	262,4	
	Increase Jan. 1 - Dec. 31	0,4	-	-	-	
	Landed asset write-downs	-25,0	-115,4	-25,0	-115,4	
	Revaluation fund Dec 31	122,5	147,1	122,0	147,0	
	Restricted equity Dec. 31	373,6	398,2	342,6	367,6	
28. Unrestricted equity	Opening balance Jan. 1	282,4	197,9	-	-	
	Parent company operating fund Jan. 1	-	-	141,0	173,9	
	Income Statement effect of Forest and Land Revaluations	-6,6	-32,9	-6,6	-32,9	
	Parent company operating fund Dec. 31	-	-	134,4	141,0	
	Parent company retained earnings Jan. 1	-	-	227,9	129,7	
	Dividend payment	-13,2	-8,8	-13,2	-8,8	
	Conversion effects	16,1	5,1	-	-	
	Parent company retained earnings Dec. 31	-	-	214,7	120,9	
	Net profit for the year	-1,0	121,0	37,8	107,0	
	Unrestricted equity Dec. 31	277,6	282,4	386,9	368,9	
	Distributable unrestricted equity	156,2	170,8			
29. Voluntary Reserves	<b>Investment reserve</b>					
	Balance sheet value Jan. 1	0,1	0,1	-	-	
	Increase Jan. 1 - Dec. 31	-	-	-	-	
	Decrease Jan. 1 - Dec. 31	-0,1	-	-	-	
	Balance sheet value Dec. 31	0,0	0,1	-	-	
	<b>Other reserves</b>					
	Balance sheet value Jan. 1	61,8	73,8	9,9	9,9	
	Increase Jan. 1 - Dec. 31	17,4	-	-	-	
	Decrease Jan. 1 - Dec. 31	-13,0	-13,3	-	-	
	Balance sheet value Dec. 31	66,2	60,5	9,9	9,9	
	30. Mandatory Reserves	Warranty reserve	1,0	0,8	-	-
		Others	1,5	-	-	-
Total		2,5	0,8	-	-	
31. Liabilities Maturing Within Five Years or Later	From financial institutions	15,3	1,534	-	-	
	Pension loans	188,7	183,4	47,6	51,3	
	Other long-term debts	50,2	48,1	-	-	
	Total	254,2	233,1	47,6	51,3	
32. Liabilities to Group and Associated Companies	Other long-term debts/Group companies			0,1	0,1	
	Short-term debts/Group companies			1,6	8,5	
	Deferred expenses/Group companies			0,4	1,2	
	Other short-term debts/Group companies			161,4	173,0	
	Other short-term debts/associated companies			-	0,4	
Total			163,5	183,2		

		Group		Oy Hackman Ab	
		1996	1995	1996	1995
<b>33. Contingent Liabilities and Mortgages</b>	Secured against own liabilities	212,9	251,4	120,2	169,0
	Secured against Group company liabilities	-	-	67,6	48,3
	Secured against liabilities for others	-	-	-	0,2
	<b>Total</b>	<b>212,9</b>	<b>251,4</b>	<b>187,8</b>	<b>217,6</b>
	Guarantees for Group companies	-	-	227,9	280,6
	Guarantees for others	23,5	20,8	3,7	7,2
<b>Total</b>	<b>23,5</b>	<b>20,8</b>	<b>231,6</b>	<b>287,8</b>	
Liabilities contingent on associated companies		-	-	-	-
<b>34. Personnel</b>	<b>Average</b>				
	Hackman Designor	1 738	1 881	-	-
	Hackman Metos	491	367	-	-
	Hackman Stainless	565	527	-	-
	Hackman TTT	252	248	-	-
	Hackman Invest	178	172	-	-
	Hackman Industrier	2	4	-	-
	Head Office	22	22	22	22
	<b>Total</b>	<b>3 248</b>	<b>3 221</b>	<b>22</b>	<b>22</b>
	<b>31.12.</b>				
	Hackman Designor	1 713	1 850	-	-
	Hackman Metos	498	340	-	-
	Hackman Stainless	557	549	-	-
	Hackman TTT	251	249	-	-
	Hackman Invest	163	172	-	-
	Hackman Industrier	1	4	-	-
	Head Office	21	23	21	23
	<b>Total</b>	<b>3 204</b>	<b>3 187</b>	<b>21</b>	<b>23</b>
	<b>Personnel by Country Dec. 31</b>				
	Finland	1 755	1 769	21	23
	Sweden	806	739	-	-
	Norway	187	202	-	-
	Denmark	28	30	-	-
	The Netherlands	9	7	-	-
	France	265	262	-	-
	Germany	29	32	-	-
	Austria	2	2	-	-
	Estonia	8	9	-	-
	Poland	3	1	-	-
	Hungary	52	75	-	-
	Russia	2	2	-	-
	USA	58	57	-	-
	<b>Total</b>	<b>3 204</b>	<b>3 187</b>	<b>21</b>	<b>23</b>

35. Group Companies Dec. 31, 1996	Group				Holding in Group Comps. %	Face Value Total '000	Total Book Value		Profit Last. Period
	Share Holding %	Voting Share %	Share of Equity MFIM	No. of Shares			Parent Comp.	Group Comp.	
Hackman Designor Oy Ab	100	100	85,2	1900	100	FIM 19 000	133,5	-	-1,3
Designor AG	100	100	0,0	100	100	CHF 50	-	0,1	-
Hackman LLC	98	98	0,2	26 404	98	HUF 25 904	-	1,3	-0,5
Fetefem LLC	98	98	1,0	5 421	100	HUF 54 210	-	0,4	0,0
Hackman Alu Oy Ab	100	100	2,5	6 087	100	FIM 3 044	-	0,0	-0,2
Hackman Cutlery Factory LLC	99	99	0,1	8 900	100	HUF 89 006	-	4,0	-1,2
Hackman Polska Z.O.O.	100	100	-0,4	50	100	PLZ 50	-	0,1	-0,2
Zao Hackman Havi St. Peterburg	100	100	0,0	1	100	RUR 60 870	-	0,1	0,0
Hackman Europe B.V.	100	100	84,1	360 000	100	NLG 36 000	104,5	-	0,1
Hackman A/S	100	100	5,9	2 500	100	DKK 2 500	-	5,1	-0,4
Hackman Household A/S DK	100	100	0,0	15 000	100	DKK 15 000	-	0,0	-0,1
Hackman Designor B.V.	100	100	-2,7	125	100	NLG 125	-	0,3	-1,8
Hackman Eesti AS	100	100	0,4	10	100	EEK 1 000	-	0,4	0,1
Hackman Fürst AG	100	100	3,1	50	100	CHF 50	-	2,4	-
Hackman Fürst GmbH	100	100	8,3	50	100	DEM 4 550	-	15,8	5,2
Hackman Fürst GmbH	100	100	-0,2	45	100	ATS 450	-	0,3	0,1
Hackman TTT GmbH	100	100	0,9	3 000	100	DEM 300	-	0,7	0,2
Hackman Havi Oy Ab	100	100	35,5	461161	100	FIM 9 230	-	26,5	3,1
Hackman Havi AB	100	100	11,6	10 000	100	SEK 10 000	-	38,2	-
Oy Tam-Kos Ab	100	100	6,2	180	100	FIM 18	-	2,6	3,9
Hackman Hammarplast AB	100	100	21,1	206 667	100	SEK 20 667	-	75,2	-14,2
Gösta Widén AB	100	100	1,3	500	100	SEK 50	0,0	2,0	0,0
Hackman Industrier AB	100	100	13,7	280 000	100	SEK 28 000	-	68,7	-1,9
Hackman Rörstrand AB	100	100	7,9	200 000	100	SEK 20 000	-	13,6	-8,0
Nilsjohan AB	100	100	0,0	50	100	SEK 50	-	0,0	-
Hackman Wedholms AB	100	100	12,2	15 000	100	SEK 15 000	-	12,2	-0,2
Hackman Norge A/S	100	100	14,1	20 050	100	NOK 20 050	-	14,3	-0,5
Hackman Designor A/S	100	100	31,0	16 981	100	NOK 8 491	-	13,6	5,2
Hackman TTT Oy Ab	100	100	19,7	24	100	FIM 12 000	-	34,6	0,4
Hackman USA Corporation	100	100	19,7	100	100	USD 2 000	-	16,0	-0,3
Hackman-MKT Inc.	100	100	0,0	1 000	100	USD 50	-	0,2	-
Hackman Tabletop Inc.	100	100	1,4	150 000	100	USD 1 461	-	5,2	-1,5
The Peerless Saw Company	100	100	7,8	500	100	USD 50	-	14,2	0,3
MKT France S.A.	100	100	0,1	250	100	FRF 250	0,0	0,1	-
Prominox S.A.	100	100	48,8	30 000	100	FRF 3 000	0,0	61,9	-9,2
Eurotanks Polska Sp.z.o.o.	51	51	1,1	102	51	PLZ 720	-	0,9	0,9
Hackman Intech Oy	100	100	0,3	25 000	100	FIM 250	0,1	0,1	0,0
Hackman Invest Oy Ab	100	100	10,8	1 000	100	FIM 10 000	10,0	-	0,0
Hackman Metos Oy Ab	60	60	34,7	60 000	60	FIM 10 000	24,3	-	4,2
Hackman Latvia SIA	60	60	0,0	2	100	LVL 2	-	0,0	-
Hackman Metos AB	60	60	0,9	1 700	100	SEK 1 700	-	7,3	0,0
Hackman Metos A/S	60	60	0,9	1 040	100	NOK 2 040	-	3,5	0,0
Hackman Metos Eesti AS	60	60	0,0	25	100	EEK 25	-	0,0	0,2
Wexiödisk Förvaltnings AB	33	33	9,0	1 210	55	SEK 220	-	32,4	3,2
Wexiödisk AB	33	33	10,6	55 000	55	SEK 5 500	-	13,8	5,9
WD Metos Oy	33	33	0,8	1 000	55	FIM 1 000	-	3,4	0,6
Hackman-MKT Oy	100	100	28,9	65 000	100	FIM 26 000	26,8	-	-1,8
Hackman Pinnoitteet Oy	100	100	1,3	220	100	FIM 2 200	2,2	-	0,2
Hackman Prosessi Oy Ab	100	100	4,9	50 000	100	FIM 5 000	5,0	-	-0,7
Hackman Sarvis Oy	100	100	0,7	100	100	FIM 1 000	3,9	-	-0,1
Hackman Suurkeittiöt Oy Ab	100	100	7,1	400 000	100	FIM 4 000	11,9	-	0,0
Hackman Finance Oy	100	100	3,9	3 500	100	FIM 3 500	0,0	2,1	1,2
Hadwaco Ltd Oy	91	91	11,1	1 820	91	FIM 20 000	15,2	3,0	1,0
Hadwaco US Inc.	91	91	-1,5	1 000	100	USD 1	-	0,0	-1,2
Kiint. Oy Sorsakosken Teollisuustalot	100	100	6,7	7 000	100	FIM 7 000	6,0	1,0	0,1
Nordic Cosmetics Ltd Oy	100	100	1,5	6 496	100	FIM 1 008	1,3	-	-0,2
Rondex Oy Ltd	100	100	0,7	500	100	FIM 500	0,5	-	-0,1
Total							345,3	497,8	

36. Associated Companies December 31, 1996	Group				Holding in Group Comps. %	Face Value Total '000	Total Book Value		Profit Last Period	Date of Account Closing / Length of Period
	Share Holding %	Voting Rights %	Share of Equity MFIM	No. of Shares			Parent Company	Group Company		
Rörstrands Kulturforum AB	40	40	1,5	50	40	SEK 50	-	1,5	0,4	31.12.96/12
Total							-	1,5		

## 37. Shares and Holdings Dec. 31, 1995

Asunto Oy Elvalanranta				1 519	-	1 519	-	1,5		
Asunto Oy Pankkikallio				4 205	52,6	421	0,9 <sup>1)</sup>	-		
Asunto Oy Sorsakosken Pajaharju				13 598	27,4	136	0,2 <sup>1)</sup>	-		
GolfTalma Oy				2	-	-	-	0,2		
Helsingin Arvopaperipörssi Oy				1	-	-	0,3	-		
Helsingin Puhelin Oy				116	-	-	0,1	0,2		
Helsinki Halli Oy				1	-	450	1,1	-		
Kiinteistö Oy Joutsenon Annukka				38	50,0	380	0,4 <sup>1)</sup>	-		
Leppävirran matkailukeskus Oy				150	33,3	150	0,2 <sup>1)</sup>	-		
Oy Kvartett Invest Ab				15 000	15,0	1 500	1,5	-		
Suomen kerta-astiateollisuus Oy				150	8,3	150	-	1,2		
Suomen Osakekeskusrekisteri Osuuskunta				2	-	-	0,1	-		
Tietosavo Oy				10 200	2,7	102	0,1	-		
Vakuutusyhtiö Sampo				561	-	11	-	0,2		
Others				-	-	-	0,2	0,9		
Total							5,1	4,0		

<sup>1)</sup> Excluded from Group financial statements due to minor impact.

# Group Key Ratios and Figures

		1992	1993	1994	1995	1996
<b>Net Sales</b>	FIM million	1 964,9	1 911,4	1 873,3	2 061,5	1 992,7
Change	%	-4,5	-2,7	-2,0	10,0	-3,3
<b>Offshore Sales</b>	FIM million	1 421,9	1 273,5	1 142,1	1 158,1	1 132,5
Share of Net Sales	%	72,4	66,6	61,0	56,2	56,8
<b>Salaries and Benefits</b>	FIM million	637,4	599,0	577,2	592,3	612,4
Share of Net Sales	%	32,4	31,3	30,8	28,7	30,7
<b>Gross Profit</b>	FIM million	534,3	513,6	533,3	574,3	537,8
Share of Net Sales	%	27,2	26,9	28,5	27,9	27,0
<b>Operating Profit Before Depreciation</b>	FIM million	141,3	178,2	231,5	181,2	118,0
Share of Net Sales	%	7,2	9,3	12,4	8,8	5,9
<b>Planned Depreciation</b>	FIM million	120,0	97,6	93,9	88,3	97,4
<b>Decrease in Group Reserve</b>	FIM million	20,2	2,2	0,9	1,5	0,0
<b>Operating Profit After Depreciation</b>	FIM million	41,5	82,8	138,5	94,4	20,6
Share of Net Sales	%	2,1	4,3	7,4	4,6	1,0
<b>Net Financial Costs</b>	FIM million	104,8	64,0	57,3	53,8	44,2
Share of Net Sales	%	5,3	3,4	3,1	2,6	2,2
<b>Profit After Financial Items</b>	FIM million	-63,3	18,8	81,2	40,6	-23,6
Share of Net Sales	%	-3,2	1,0	4,3	2,0	-1,2
<b>Profit Before Extraordinary Items</b>	FIM million	-63,3	18,8	81,2	40,6	-23,6
Share of Net sales	%	-3,2	1,0	4,3	2,0	-1,2
<b>Profit Before Appropriations and Taxes</b>	FIM million	-63,3	36,6	81,2	184,3	27,4
Share of Net sales	%	-3,2	1,9	4,3	8,9	1,4
<b>Direct taxes, operations</b>	FIM million	10,0	11,4	25,8	12,1	7,6
<b>Direct taxes, extraordinary items</b>	FIM million				40,3	14,3
<b>Minority Interest Share in Profit</b>	FIM million	-4,3	3,0	-3,0	10,9	6,5
<b>Value Added</b>	FIM million	832,8	821,6	857,9	826,4	730,4
<b>Financial Profit</b>	FIM million	26,5	120,6	148,4	259,0	117,2
Share of Net Sales	%	1,3	6,3	7,9	12,6	5,9
<b>Gross Investments</b>	FIM million	102,4	121,7	186,4	142,6	101,6
Share of Net Sales	%	5,2	6,4	10,0	6,9	5,1
<b>Dividends Paid</b>	<sup>1)</sup> FIM million	4,8	6,6	8,8	13,2	11,0
<b>Interest Bearing Financial Assets</b>	FIM million	191,1	210,4	117,5	85,4	117,8
<b>Interest Free Financial Assets</b>	FIM million	344,0	361,3	414,0	479,8	418,0
<b>Inventories</b>	FIM million	439,5	434,5	520,3	508,6	492,0
<b>Fixed Assets</b>	FIM million	1 203,2	1 034,0	1 072,3	925,1	888,7
<b>Interest Free Liabilities</b>	<sup>2)</sup> FIM million	525,1	503,5	581,4	481,0	438,3
<b>Interest Bearing Liabilities</b>	FIM million	934,0	849,9	787,5	812,7	769,3
Share of Net Sales	%	47,5	44,5	42,0	39,4	38,6
<b>Net Working Capital</b>	FIM million	302,3	349,1	397,2	554,9	523,7
Share of Net Sales	%	15,4	18,3	21,2	26,9	26,3
<b>Minority Interest</b>	FIM million	48,9	22,1	32,4	23,9	55,3
<b>Shareholders' Equity</b>	<sup>2)</sup> FIM million	669,8	664,7	714,0	680,5	651,2
<b>Balance Sheet Total</b>	FIM million	2 177,8	2 040,2	2 123,4	1 998,9	1 916,5
<b>Return on Investment</b>	<sup>2)</sup> %	4,1	7,2	10,0	7,1	2,1
<b>Return on Equity</b>	<sup>2)</sup> %	-9,4	1,1	7,7	3,9	-4,4
<b>Equity Ratio</b>	<sup>2)</sup> %	33,9	34,4	36,7	35,7	37,2
<b>Quick ratio</b>		1,0	0,7	0,9	0,8	0,8
<b>Current ratio</b>		1,6	1,2	1,5	1,4	1,5
<b>Average Number of Personnel</b>		3 876	3 432	3 362	3 221	3 248
Abroad		1 794	1 646	1 614	1 402	1 480
<b>Total personnel Dec. 31</b>		3 719	3 406	3 485	3 187	3 204
Abroad		1 738	1 648	1 611	1 418	1 449
<b>Net Sales/Person</b>	FIM million	0,507	0,557	0,557	0,640	0,614
<b>Value Added/Person</b>	FIM million	0,215	0,239	0,255	0,257	0,225

1) Proposal of the Board for 1996

2) General untaxed reserves have been divided into retained earnings (72 %) and deferred tax liability (28 %)

Value Added	Operating profit before depreciation + salaries and benefits + rental costs
Financial Profit	Profit before appropriations and taxes + planned depreciation – decrease in Group 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)	$\frac{\text{Profit after financial items + interest and other financial expenses} \times 100}{\text{Average}(\text{Balance sheet total} - \text{non-interest bearing liabilities})}$
Return on Equity (ROE)	$\frac{\text{Profit before extraordinary items} - \text{taxes} \times 100}{\text{Average}(\text{shareholders' equity} + \text{minority interest})}$
Equity Ratio	$\frac{\text{Shareholders' Equity} + \text{minority interest} \times 100}{\text{Total assets} - \text{advances received}}$
Quick Ratio	$\frac{\text{Current assets}}{\text{Current liabilities} - \text{advances paid}}$
Current Ratio	$\frac{\text{Current assets} + \text{inventories}}{\text{Current liabilities}}$
Earnings per share (EPS)	$\frac{\text{Profit before extraordinary items} - \text{minority interest} - \text{taxes}}{\text{Average number of shares}}$
Cash-Flow Per Share	$\frac{\text{Profit after financial items} + \text{depreciation} - \text{taxes}}{\text{Average number of shares}}$
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	$\frac{\text{Dividend/share} \times 100}{\text{Earnings per share}}$
Effective Dividend Yield	$\frac{\text{Dividend/share} \times 100}{\text{Year end share price}}$
Price Earnings Ratio (P/E)	$\frac{\text{Year end share price}}{\text{Earnings per share}}$



# Proposal of the Board of Directors

According to the Group balance sheet the unrestricted equity as of December 31, 1996 amounted to	FIM	277 639 000,00
of which the distributable unrestricted equity amounted to	FIM	156 215 000,00

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

Operational fund, December 31, 1996 FIM	FIM	134 433 635,40
Retained earnings, December 31, 1996 FIM	FIM	214 697 839,34
Profit for the year	FIM	37 796 960,75
		<hr/>
		386 928 435,49

The Board of Directors recommends that:

- a dividend on 1996 of FIM 2.50 per share be distributed on the 817,500 K-shares outstanding and on the 3,582,500 A-shares outstanding, the sum totalling	FIM	11 000 000,00
- a sum is to be retained in the Group's operational fund amounting to FIM	FIM	134 433 635,40
- the remaining sum is to be held in retained earnings	FIM	241 494 800,09
		<hr/>
	FIM	386 928 435,49

Helsinki, February 24, 1997

*Peter Fazer*

*Carl-Olaf Homén*

*Jan Hörhammer*

*Bo Lundquist*

*Thomas Thesleff*

*Christer Gripenberg*

*Björn Gavelstad*

*Tapio Hintikka*  
CEO

*To the shareholders of Oy Hackman Ab*

We have audited the accounting records, financial statements and administration of Oy Hackman Ab for the fiscal year ending December 31, 1996. The financial statements, consisting of the consolidated and parent company income statements, balance sheets, notes and the report of the Board, have been prepared by the Managing Director and the Board of Directors.

We have audited the accounts in accordance with generally accepted Finnish accounting principles. This requires that the accounts and accounting standards, as well as the presentation and content of the documentation be audited comprehensively enough to state that the report does not contain any relevant errors or deficiencies. In connection with our audit of the company's administrative procedures, we have checked that the Board members and the Managing Director have acted in accordance with regulations contained in Finnish corporate law.

It is our opinion that the annual report and the financial statements contained therein have been prepared in accordance with legally required and generally accepted accounting procedures. The report gives a fair and accurate view of the financial performance and financial status of the Group as well as the parent company. It is therefore our view that the financial statements for the year may be adopted and the Board members and Managing Director may be discharged from liability for the fiscal year. The proposal of the Board for the distribution of profits is in accordance with accounting legislation.

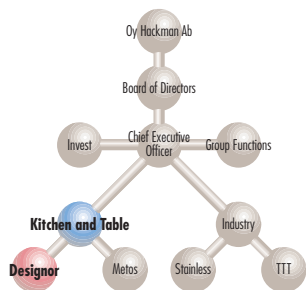
We have also reviewed the interim reports during the year under review. In our view these reports have also been prepared in accordance with the required accounting procedures.

Helsinki, March 6, 1997

*Joe Sundholm*  
CGR

*Jan Holmberg*  
CGR

Hackman Designor designs and manufactures tableware, cookware, household plastics and candles. Its products are marketed under internationally recognized brands such as Arabia, Rörstrand, iittala®, Hackman®,

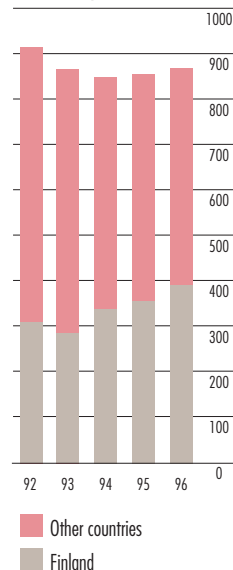


Hammar/Sarvis and Havi. Sales are carried out by distributors who have the ability to communicate the value-added contained in the products. The brand is a mark of quality which tells the customer that he can trust in Hackman. The Designor range comprises high quality functional products for cooking and tablesetting. The range also includes decorative art products designed by well-known designers from Finland and Sweden. Nordic design with its clean lines, simple forms and human orientation is the platform for our products. Hackman Designor's competitive advantage lies in its well-known brand names and its strong position on its main markets in Finland, Sweden, Norway and Denmark.

### Operations 1996

The restructuring of the Kitchen and Table division's operations during the year under review had an important impact on Designor. The Designor financial performance for 1995-1996 has been adjusted for this change, but is not entirely comparable. From the Household business area were the household plastics and candles integrated into Designor and the Technochemical into Hackman Invest division. Sales and earnings for Designor remained at approximately the same level as in 1995. Finnmark denominated net sales for 1996 increased from FIM 857.4 million to FIM 871.2 million and Designor's market position in its core markets remained stable. The price level for 1996 was stagnant. Operating Profit totalled FIM 29,5 million compared to FIM 40.3 million in 1995. There were two primary reasons for the drop in earnings. First, the gross margin declined as a result of intensifying competition on

NET SALES, FIM MILLION



Designor's main markets.

Second, the reduction of inventories throughout

Designor had a negative impact on profits. During 1996 personnel was cut substantially, from 1,881 to 1,738 or approximately 8%. However, the cuts were made toward the year end so the main effects will not be felt until 1997. No major investments were made during the year. Investments totalled

FIM 27.6 million and consisted mainly of essential asset replacement and the completion of the Iittala production development project started in 1995.

### Highlights

Designor continued to improve its logistics systems. During the year a project was initiated with the aim of concentrating logistics activities into the Iittala and Lidköping distribution centers. The project will continue into 1997. The main

DESIGNOR, FIM million	1996	1995
Net Sales	<b>871,2</b>	857,4
Outside Finland	<b>478,4</b>	499,4
Operating profit after depreciation	<b>16,3</b>	40,3
% of net sales	<b>3,4</b>	4,7
Investments	<b>27,6</b>	70,6
RNA %	<b>3,8</b>	6,9
Personnel, average	<b>1 738</b>	1 881
Outside Finland	<b>786</b>	847

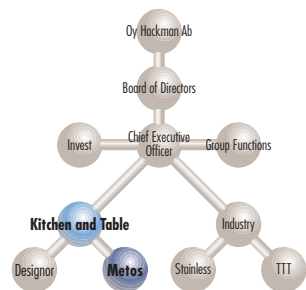
program for 1996 was the integration of the sales units for candles and household plastics into the Designor sales organization. A series of new products were introduced during the year, including the 24h -tableware collection from Arabia, the Stella glassware collection from iittala® and the Hot Pan frying pans from Hackman®.

**Prospects for 1997**

Nothing would indicate that market conditions offer significant growth opportunities. Therefore sales are expected to remain on the same level as in 1995. However the rationalization programs completed in 1996 and continuing into 1997 will provide a foundation for improved profitability.



Hackman Metos designs, produces and markets efficient food and beverage service equipment and solutions in accordance with its professional kitchen customers' needs. The Metos brand serves as a



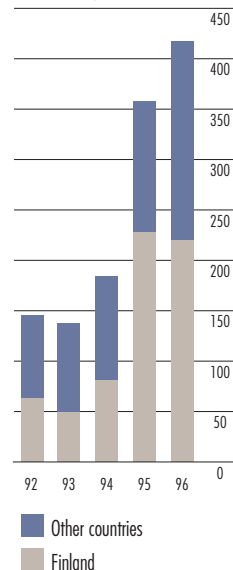
guarantee of superior product and long term service quality. The company's competitive advantage is its ability to provide a competitive professional kitchen solution to its customers by exploiting scale economies throughout the value chain. The Hackman Metos product range consists of both individual pieces of food service equipment and total customer solutions including glassware, tableware and cutlery. The Hackman Metos Marine unit is an internationally recognized marine galley supplier serving a full range of vessels from freighters to luxury liners. Hackman Metos is the market leader in the Nordic area. Metos' customers include private professional kitchens from cafés to first class restaurants as well as public institutions such as schools, nursing homes and hospitals. Hackman Metos has sales companies in Finland, Norway, Sweden, Rus-

sia, Estonia, Lithuania and Latvia. We also have a global network of skilled representatives who are responsible for providing fast and high quality service and maintenance. Our production units are located in Finland's Kerava, Sorsakoski and Hyvinkää, as well as in Sweden's Klässbol and Växjö.

### 1996 Operations

Hackman Metos' operational financial performance for 1996 continued to improve and was in accordance with plans. Net sales for the year rose from FIM 357.3 million to FIM 417.1 million, an increase of 16,3 %. The increase resulted primarily from the inclusion of Wexiödisk in the accounts from May 1, 1996, but also from growth in Finnish operations. Hackman Metos' market position improved in Estonia, Sweden, Norway and Finland, but stagnated in Russia due to increased political uncertainty. Market volumes improved in Norway, held steady in Finland and the Baltics, but dropped off in Sweden. Operational earnings rose in 1996, but because of a non-recurring cost arising from the acquisition of a majority holding in Wexiödisk, the company's final earnings decreased from FIM 17.4 million to FIM 16.3 million. There was a net increase in average personnel during the period un-

NET SALES, FIM MILLION



der review from 367 to 491 as a result of the integration of Wexiödisk and the reinforcement of aftersales staff. Investments totalled FIM 12.2 million. These investments consisted mainly of the acquisitions of an additional 15 % of Wexiödisk shares (now 55 % total), as well as the complete shareholding of Hackman Stala Kalusteet Oy. Smaller investments were made in production machinery and information technology.

### Highlights Of 1996

The year was one of consolidation and development for Hackman Metos. Last year the focus was on restructuring and the integration of several business cultures and companies. This year the focus was on creating an efficient, smooth-running operation. The integration of Hackman Stala into Hackman Metos, and the related transfer of production from Lahti to Kerava was completed successfully. The allocation of production responsibilities between Wexiödisk and Hackman Metos Kerava was carried forward and substantially improved. The Hackman Metos product range and the related marketing

METOS, FIM million	1996	1995
Net Sales	<b>417,1</b>	357,3
Outside Finland	<b>197,0</b>	129,9
Operating profit after depreciation	<b>16,3</b>	17,4
% of net sales	<b>3,9</b>	4,9
Investments	<b>12,2</b>	25,4
RNA %	<b>13,6</b>	21,4
Personnel, average	<b>491</b>	367
Outside Finland	<b>201</b>	83

activities and promotional materials were harmonized across the company's various national markets. The implementation of a new information system was carried forward in 1996 and will be completed in 1997. The aim is to create a common information technology network for the entire international operation. The integration of the CaféKing operation and the Metos restaurant units has been successfully completed. A major campaign was launched to strengthen aftersales operations and this campaign will continue into 1997. The aim is to significantly improve the service level.

**Prospects For 1997**

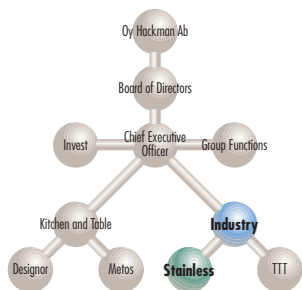
Hackman Metos moves into 1997 from a stronger position thanks to a better order

book compared with January, 1996. Demand on our main markets in Finland and Sweden is expected to remain stable, while in Norway some growth is expected. Our expectations regarding Baltic and Russian markets are conservative due to continued political uncertainty. We expect competition to remain tough in all our main markets and possibly even to intensify. The ongoing overcapacity of this sector is still putting pressure on industry margins. Nevertheless, we expect rising volumes in combination with improved operational efficiency to generate an improvement in the financial performance of Hackman Metos in 1997.





Stainless comprises the Prominox S.A. business unit based in France, Eurotanks Sp.z.o.o. based in Poland, Hackman Wedholms AB based in Sweden, and the Hackman Prosessi Oy Ab unit and



Hadwaco Ltd which are based in Finland. Stainless produces milk cooling and transport tanks for the dairy industry, vessels and components for the food processing industry, tanks and equipment for the process industry and environmental technologies which efficiently separate effluents from waste water.

### 1996 Operations

Although Stainless sales increased during the year under review, earnings declined over last year mainly because of restructuring costs related to Prominox and losses generated by Hadwaco. Stainless' consolidated financial performance was unprofitable as a result. Consolidated net sales increased 3.7 % to FIM 401.2

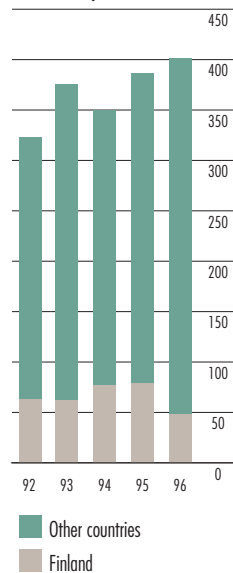
million. Sales increased within all SBUs with the exception of Hadwaco. Hadwaco sales efforts were held back because product development was behind schedule. Operating earnings declined mainly because Hadwaco fell short of its sales targets and required significant R&D investments. Prominox improved its profitability after the spring thanks to its reorganization. Hackman Stainless' personnel remained at approximately the same level overall as last year.

### Highlights & Investments

Hadwaco delivered a landfill leachate purification unit to Kujala landfill in the Finnish city of Lahti which is the first unit of its kind in the world to use Hadwaco's unique evaporation technology. The unit will purify 130 m<sup>3</sup> of landfill leachate per day and 40.000 m<sup>3</sup> per year.

Hackman Prosessi operated at full capacity throughout the year because of

NET SALES, FIM MILLION



heavy investments in the wood processing industry.

Prominox Polish Farm Cool activities showed robust development. The fledgling unit which has been on line only two years was able to double its sales and cut its throughput time in half.

Prosessi's new production facility in Finland's Leppävirta was completed in October. Production in the

new facility will be brought up to speed during 1997.

### Prospects for 1997

Demand in the forestry industry is declining because of the downturn in the global paper and pulp industry. The majority of the sales will be for spares, replacement and repairs. Therefore Hackman Prosessi's

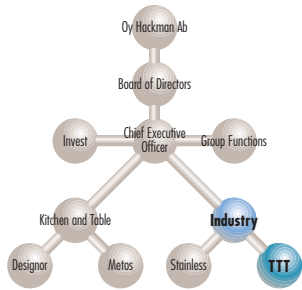
STAINLESS, FIM million	1996	1995
Net Sales	401,2	386,7
Outside Finland	353,2	307,5
Operating profit after depreciation	-2,0	12,6
% of net sales	-0,5	3,2
Investments	39,0	30,4
RNA %	-1,3	8,7
Personnel, average	565	527
Outside Finland	433	415

sales is expected to decline. Markets for Farm Cool are expected to remain at approximately the same level as in 1996. However, the rationalization of Prominox is expected to improve Farm Cool competitiveness and therefore generate better profitability. Hadwaco will continue to concentrate on product development, as well as pilot testing and reference sales. Hadwaco's performance is expected to remain unprofitable during 1997. The overall outlook for Stainless in 1997 is expected to improve as a result of the completion of the Prominox reorganization in 1996.





Hackman TTT produces and markets machine knives, saw blades and machine parts for the heavy wood processing industry. The company markets its products globally under three well known

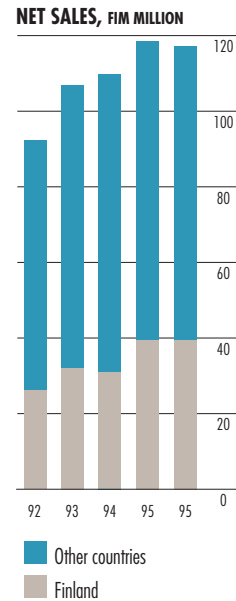


brands: TTT, Peerless and Stridsbergs. The main products are veneer knives, chipper and flacker knives, and circular saw blades. TTT's operations are focused on basic industry. This is a relatively narrow segment in which the customer places heavy demands on the supplier to flexibly adapt to his requirements. TTT's products and know-how meet the highest international standards in this niche. Hackman TTT's competitiveness and profitability derive from its knowledge of the market and its deep-seated know-how. The company's skilled staff serves as the basic building block for success. The production units break down into cells. These are teams which create the product on a "get it right the first time" principle. The operations

are backed up by an ISO 9002- certified quality assurance system. TTT has modern production facilities in Finland's Toijala and Outokumpu, as well as in Columbus, Ohio in the USA. We deliver in Germany and France through our own sales offices and we maintain our own after-sales and support office in Singapore. In addition, TTT has a global network of agents, distributors and partners.

### Operations 1996

TTT had a satisfactory year. TTT was able to maintain its sales at approximately the same level as in 1995 despite declining global demand in the wood industry. Net sales totalled FIM 117.1 million in 1996 compared to FIM 118.5 million in 1995. Since a considerable part of TTT's invoicing is in U.S. dollars, operating profit declined slightly from FIM 9.8 million in 1995 to FIM 7.9 million in 1996 as a result of the appreciation of the Finnish



mark against the U.S. dollar. TTT's market shares have been stable throughout the year on its main markets. The number of personnel remained unchanged throughout the year.

TTT invested in machinery and equipment with the aim of improving productivity and quality. Investments totalled FIM 10.5 million.

### Highlights of 1996

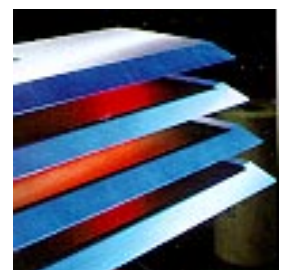
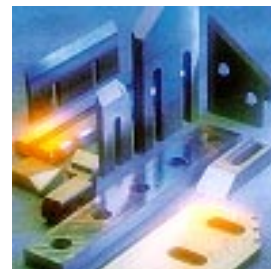
TTT focused heavily on the development of its personnel during the year. These activities consisted mainly of team building techniques, leadership training and other management skill-related development. The training program will continue into 1997, but will focus on other issues.

TTT, FIM million	1996	1995
Net Sales	117,1	118,5
Outside Finland	77,6	79,1
Operating profit after depreciation	7,9	9,8
% of net sales	6,8	8,2
Investments	10,5	10,1
RNA %	12,9	16,1
Personnel, average	252	248
Outside Finland	55	53

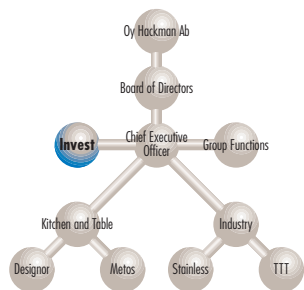
The Outokumpu plant was expanded during the year under review in order to raise the capacity for chipper and flaker knife production. The new extension was completed in December. The surface area of the whole plant increased 55% as a result of the expansion.

**Prospects For 1997**

Prospects for the next fiscal year look approximately the same as in 1996. We expect sales and profits to remain on the same level. We will continue the development program now underway and aim to complete it by the time the business cycle begins its upswing.



Hackman Invest manages the Group's real estate, forests, industrial properties, commercial and waterfront properties, as well as the zoning and sales of these properties. Invest also acts as a development



company for the Group which handles associated and non-core businesses.

Some of the Group's acquisitions have included activities which do not match Hackman's core operations. Hackman Invest develops and reorganizes these activities, strengthens them with supportive acquisitions and prepares them for divestiture.

Hackman is a significant owner of land and forest properties in eastern and southern Finland. Hackman Invest prepares the annual forestry management and harvesting programs for these lands. During 1996 the Enso-Gutzeit Oy's forestry department executed the harvests. Hackman Invest has forests properties zoned as waterfront lots for sale to the public. Invest also aims at zoning those properties which lie near residential areas for residential property development.

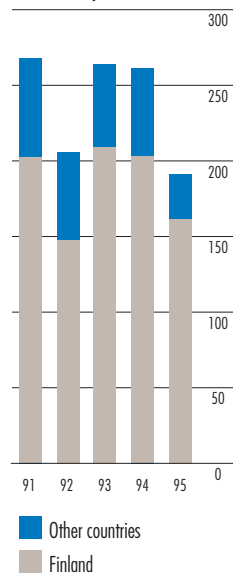
## 1996 Operations

Invest's 1995 and 1996 figures have been adjusted to include the technochemical operations formerly held under Hackman

Household. Net sales declined from FIM 257.7 million to FIM 191.4 million compared with 1995 mainly because of lower technochemical sales.

In the 1995 Hackman concluded a letter of intent with the Finnish Forestry Administration which called for the sale of 14 400 hectares of forest during the period 1996-1998. Sales totalling FIM 71.1 million were executed during 1996. Hackman Invest did not engage in any securities trading activities during the year under review. The security trading activities of Hackman Invest have been transferred to Hackman Finance. Hackman harvested forest totalling 33 000 m<sup>3</sup> with a value of FIM 6.3 million (1995: 100 000 m<sup>3</sup>; FIM 15 million). Annual growth totals approximately

NET SALES, FIM MILLION



100 000 m<sup>3</sup>. The total amount of wood in the Group's possession stood at 2,4 million m<sup>3</sup> at the year end.

During the year the technochemical and cosmetics operations of Hackman Household were moved into the Hackman Invest Division. Technochemicals and cosmetics include the operations of Hackman Havi OY AB and its subsidiary,

Hackman Havi AB and Oy Tam-Kos Ab. Technochemical products are sold under names such as Tend, Mini Risk, Tolu and Havi's Mäntysuopa. The Technochemical unit also produces products under contract and for private labels. Nordic Cosmetics Oy Ltd. handles cosmetics marketing in Finland. It has licenses and distribu-



INVEST, FIM million	1996	1995
Net Sales	<b>191,4</b>	257,7
Operating profit after depreciation	<b>-22,7</b>	16,1
% of net sales	<b>-11,8</b>	6,2
Personnel, average	<b>200</b>	194
Outside Finland	<b>3</b>	

# Notice to the Shareholders

tion agreements with internationally recognized cosmetics manufacturers. The comparable net sales (adjusted for the elimination of candles and consumer plastics) of the technochemical group for 1996 declined to some extent over 1995 mainly as a result of the restructuring of the Household Division. The Technochemical group's earnings are not comparable with 1995 figures because of the previously mentioned structural changes. However, the group generated positive earnings. Cosmetics operations were not affected by the structural changes.

## Prospects for 1997

We expect the price level for wood to remain reasonably stable. Hackman's harvesting plan calls for harvesting below the annual growth rate. The zoning of waterfront properties will continue. Hackman Invest will also begin to actively market waterfront properties during the coming year. Technochemical sales were sold to the Henkel Group on 19 February, 1997.

## Annual Shareholder's Meeting

Tuesday, April 22, 1997, 3.00 p.m.  
Hotel Inter-Continental,  
Nordica I conferenceroom  
Mannerheimintie 46, Helsinki

All shareholders who have been registered by no later than April 11, 1997 in the official company shareholder register kept by Suomen Arvopaperikeskus Oy may participate in the Annual Shareholder's Meeting.

Notification of attendance no later than April 17, 1997 to:  
Oy Hackman Ab, Share register,  
P.O. Box 955, 00561 HELSINKI  
or by phone at +358 204 39 5717  
(phone in Finland 0204 39 5717)

## Payment of Dividends

The Board of Directors has proposed a dividend of FIM 2,50 per share for 1996 on both A- and K-shares. The dividend clearing day is to be April 25, 1997 and the date of payment, April 30, 1997 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.

# Shares and Shareholders

## 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 1996, or to issue any options or bonds, nor have any such securities been on the market during 1996.

## Increases in Share Capital 1988-1996

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

## Share Capital and Shares 1992 - 1996

	1992	1993	1994	1995	1996
Share capital, FIM million	88,5	88,5	88,5	88,5	88,5
Share volume, 1000 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
Redeemed 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 adjustments in share issues over a five year period

## Shares and Voting Rights

Oy Hackman Ab shares carry a face value of FIM 20 and are divided into two types: K shares and A 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 addition, the company's Articles of Incorporation include a repurchasing clause which entitles the company and other K shareholders the right of first refusal in the event that K shares come into the possession of persons or entities other than descendants of Commer-

cial 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.

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.

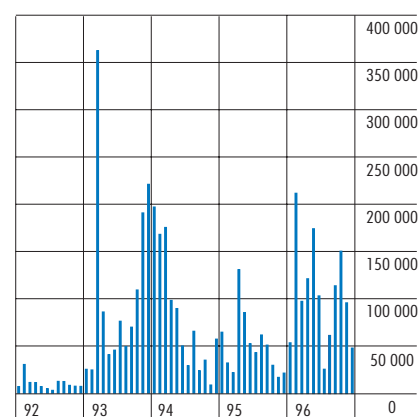
### Share Listing

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 1996 a total of 1 274 082 A shares (1995: 609 399) or 35,6% changed hands with a total value of FIM 155.9 million (56.1 mmk). Hackman A shares reached a low of FIM 91 in January of 1996 and high of FIM 152 in May. The share price was FIM 124 at the year end, yielding a total market value of FIM 545.6 million. The average share price for the year was FIM 122.37.

**A-SHARE PRICES**  
1992-1996, FIM



**A-SHARE TRADING VOLUMES**  
1992-1996



### Share Prices and Turnover

		1992	1993	1994	1995	1996
Face value	FIM	20,00	20,00	20,00	20,00	20,00
Finnish tax value	FIM	9,10	77,00	76,00	62,00	86,00
A share price	FIM					
average <sup>1)</sup>		62,49	78,83	145,13	92,06	122,37
low		42,40	43,50	105,00	74,00	91,00
high		80,00	120,00	180,00	125,00	152,00
year end		50,00	112,00	108,00	93,00	124,00
Year end market value <sup>2)</sup>	FIM million	220,0	492,8	475,2	409,2	545,6
A share turnover	FIM million	7,4	102,2	144,4	56,1	155,9
share volume	1000 each	118,3	1 296,3	995,2	609,4	1 274,1
proportion of A shares outstanding	%	3,3	36,2	27,8	17,0	35,6
Total number of shareholders, December 31		6 268	6 201	3 011	2 893	2 758

<sup>1)</sup> Finnmark denominated A share turnover/number of shares changing hands

<sup>2)</sup> Total number of shares outstanding at year end x A share year end share price

## Shareholders and Shareholder Agreements

According to the book-entry register Hackman had 2 758 shareholders as of 31 December, 1996. Non-Finns and nominee registered held a total of 829 507 shares, or 18.8 % of the total with voting rights of 9.1 %.

The Board and CEO of Hackman were in possession of 86 212 K shares and 248 789 A shares. This represents 9.9 % of the company's voting rights. The Group management team held 3 052 A shares representing 0.1% of the voting rights.

## Largest Shareholders

Book-Entry Securities System, December 31, 1996	K Shares		A Shares		Total Number	Voting Rights	
	Number	%	Number	%		%	%
1. Susanne Hohenthal	35 040	4,3	73 169	2,0	108 209	2,5	3,9
2. Robin Ekström	35 550	4,3	50 950	1,4	86 500	2,0	3,8
3. Christer Gripenberg	28 972	3,5	60 137	1,7	89 109	2,0	3,2
4. Helene Franzén	27 380	3,3	64 438	1,8	91 818	2,1	3,1
5. Peter Fazer	25 865	3,2	92 082	2,6	117 947	2,7	3,1
6. Christina Diehl	27 572	3,4	56 547	1,6	84 119	1,9	3,1
7. Birgitta Reims	27 623	3,4	52 916	1,5	80 539	1,8	3,0
8. Johan Gripenberg	27 623	3,4	50 198	1,4	77 821	1,8	3,0
9. Merita Pankki Oy			598 918	16,7	598 918	13,6	3,0
10. Ebba Valentini	25 400	3,1	82 360	2,3	107 760	2,4	3,0
<b>Total, 10 largest shareholders</b>	<b>261 025</b>	<b>31,9</b>	<b>1 181 715</b>	<b>33,0</b>	<b>1 442 740</b>	<b>32,8</b>	<b>32,2</b>
Board members & CEO	86 212	10,5	249 984	7,0	336 196	7,6	9,9
Management Team			3 052	0,1	3 052	0,1	0,0

## Distribution of Shares

Book-Entry Securities System, December 31, 1996	Shareholders		Shares		Votes	
	Number	%	1 000 Each	%	1 000 Each	%
1 - 99	1 722	62,4	89	2,0	94	0,5
100 - 999	804	29,2	196	4,5	289	1,4
1 000 - 9 999	156	5,7	450	10,2	1 509	7,6
10 000 - 99 999	70	2,5	2 436	55,4	14 696	73,7
100 000 - 999 999	6	0,2	1 215	27,6	3 330	16,7
Not transferred to book-entry system			14	0,3	14	0,1
<b>Total</b>	<b>2 758</b>	<b>100,0</b>	<b>4 400</b>	<b>100,0</b>	<b>19 932</b>	<b>100,0</b>

## Ownership Breakdown by Type

Book-Entry Securities System, December 31, 1996	Shareholders		Shares		Votes	
	Number	%	1 000 Each	%	1 000 Each	%
Private individuals	2 506	90,9	2 966	67,4	17 505	87,8
Financial institutions	22	0,8	179	4,1	179	0,9
Firms	188	6,8	146	3,3	146	0,7
Non-Profit organizations	4	0,1	229	5,2	229	1,2
Non-Profit institutions	15	0,5	36	0,8	36	0,2
Non-Finns and nominee reg.	23	0,9	830	18,9	1 823	9,1
Not transferred to book-entry system			14	0,3	14	0,1
<b>Total</b>	<b>2 758</b>	<b>100,0</b>	<b>4 400</b>	<b>100,0</b>	<b>19 932</b>	<b>100,0</b>



### 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.

### Equity-Related Key Figures

		1992	1993	1994	1995	1996
Earnings/share (EPS)	FIM	-15,69	1,01	13,27	3,99	-8,59
Cash flow/share	FIM	6,02	23,36	33,72	26,20	15,03
Equity/share <sup>1)</sup>	FIM	152,24	151,06	162,28	154,67	148,00
Dividend/share <sup>2)</sup>	FIM	1,10	1,50	2,00	3,00	2,50
Dividend/earnings	%	neg.	149,1	15,1	75,2	neg.
Effective dividend yield	%	2,2	1,3	1,9	3,2	2,0
Price/earnings ratio (P/E)		neg.	111,4	8,1	23,3	neg.

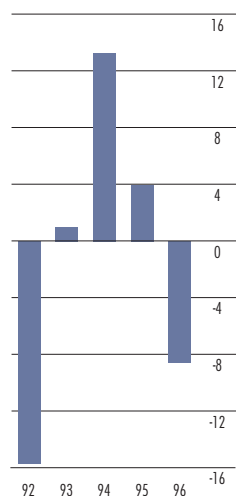
No share issue adjustments over 5 year period

1) 72 % of reserves and retained earnings have been carried as equity and 28 % as tax liabilities.

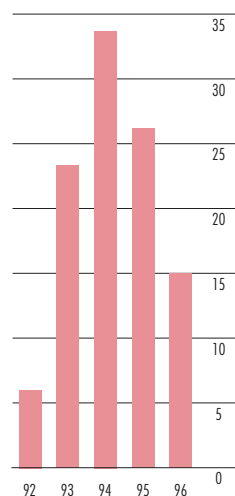
2) Proposal of the Board for 1996.

Calculations of Key Ratios on page 27.

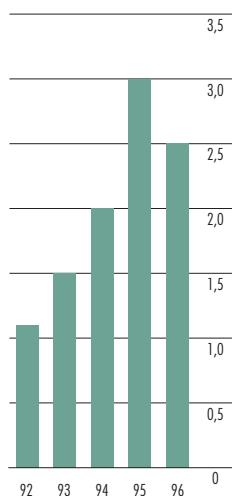
**EARNINGS/SHARE, FIM**



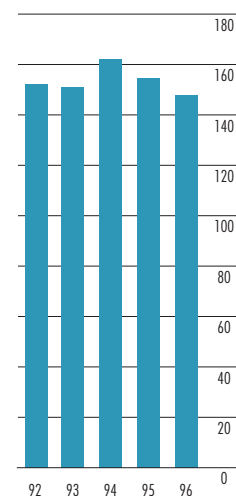
**CASH FLOW/SHARE, FIM**



**DIVIDEND/SHARE, FIM**



**EQUITY/SHARE, FIM**





# Board of Directors, Operational Management & Group Functions



Board of Directors from left to right: Jan Hörhammer, Björn Gavelstad, Thomas Thesleff, Bo Lundquist, Peter Fazer and Carl-Olaf Homén (Christer Gripenberg is missing from the photo).

## Board

Peter Fazer,	*1934. Chairman. Board Member 1969 - 1980 and 1982. Chairman since 1982. Chairman, Oy Karl Fazer Ab. Term expires 1997. A shares 92 082 and K shares 25 865.
Bo Lundquist,	*1942. Deputy Chairman. Board Member since 1990. CEO, Esselte AB. Deputy Chairman since 1994. Term expires 1999.
Björn Gavelstad,	*1939. Board Member since 1996. Term expires 1999.
Christer Gripenberg,	*1950. Board Member since 1995. Term expires 1998. A shares 60 137 and K shares 28 972 .
Carl-Olaf Homén,	*1936. Board Member since 1980. Term expires 1998. A shares 510.
Jan Hörhammer,	*1945. Board Member since 1992. Division Director, Vaisala Oy. Term Expires 1998. A shares 85 000 and 25 000 K shares.
Thomas Thesleff,	*1951. Board Member since 1991. Term expires 1997. CEO, Evli Securities Ltd. A shares 11 060 and K shares 6 375.

## Management Team

Tapio Hintikka,	*1942. Managing Director, Oy Hackman Ab. Employed since 1.1.1997.
Henrik Immonen,	*1946. Division Director, Hackman TTT. Employed since 1.1.1989.
Touko Laine,	*1943. Director of Administration, Oy Hackman Ab. Employed since 1990. A shares 10.
Lars Malmqvist,	*1946. Chief Economic and Financial Officer, Oy Hackman Ab. Employed since 1990. A shares 214.
Markus Nymark,	*1946. Division Director, Hackman Stainless. Employed 1981 - 1989 and since 1992. A shares 121.
Michael Ramm-Schmidt,	*1952. Division Director, Hackman Metos. Employed since 1989. A shares 1 512.

## Group Functions and Invest



**TAPIO HINTIKKA**  
MANAGING DIRECTOR  
OY HACKMAN AB



**TOUKO LAINE**  
DIRECTOR  
ADMINISTRATION



**LARS MALMQVIST**  
ECONOMIC AND  
FINANCIAL OFFICER



**JUHANI KUJALA**  
DIRECTOR  
DEVELOPMENT

# Divisional Management

## Designer

### PRODUCTION AND MARKETING



TAPIO HINTIKKA  
DIVISION DIRECTOR  
HACKMAN DESIGNOR



JORI KECKMAN  
BUSINESS UNIT DIRECTOR  
PORCELAIN, CANDLES, GLASS



MAGNUS VAENERBERG  
BUSINESS UNIT DIRECTOR  
COOKWARE



THOMAS ENCKELL  
BUSINESS UNIT DIRECTOR  
CUTLERY



GÖRAN OSCARSSON  
BUSINESS UNIT DIRECTOR  
HOUSEHOLD PLASTICS

### SALES



STEEN MANELIUS  
DIRECTOR  
FINLAND, SWEDEN,  
NORWAY, RUSSIA AND  
THE BALTIC COUNTRIES



JAKOB HELLES  
DIRECTOR  
DENMARK, GERMANY,  
SWITZERLAND, AUSTRIA AND  
THE BENELUX COUNTRIES

## Metos

### SALES



MICHAEL  
RAMM-SCHMIDT  
DIVISION DIRECTOR  
HACKMAN METOS,  
MANAGING DIRECTOR  
METOS OY AB



YRJÖ SULAVUORI  
DIRECTOR  
FINLAND



LENNART SANDIN  
DIRECTOR  
SWEDEN, NORWAY



JARMO SALMINEN  
DIRECTOR  
ESTONIA



JAN HASSELBLATT  
DIRECTOR  
PROJECT EXPORT

### PRODUCTION AND MARKETING



JARMO SEPPÄLÄ  
DIRECTOR  
MARINE



PEKKA MÖNKKÖNEN  
DIRECTOR  
COOKING AND FRYING PRODUCTS,  
STAINLESS STEEL EQUIPMENT



JARKKO AHLSTEN  
DIRECTOR  
MARKETING  
AND PRODUCT SOURCING



ROLAND CARLSSON  
MANAGING DIRECTOR  
WEXIÖDISK GROUP

# Divisional Management, Auditors

## Stainless



MARKUS NYMARK  
DIVISION DIRECTOR  
HACKMAN STAINLESS,  
MANAGING DIRECTOR  
HADWACO LTD. OY



VEIKKO PITKÄNEN  
MANAGING DIRECTOR  
HACKMAN  
PROSESSI OY AB



SVEN WIGERBLAD  
MANAGING DIRECTOR  
HACKMAN WEDHOLMS AB  
SWEDEN



JEAN FRUCHARD  
MANAGING DIRECTOR  
PROMINOX S.A.  
FRANCE

## TTT



HENRIK IMMONEN  
DIVISION DIRECTOR  
HACKMAN TTT,  
MANAGING DIRECTOR  
HACKMAN TTT OY AB



ANTTI TUOMOLA  
MARKETING MANAGER  
FINLAND AND  
NEARBY COUNTRIES



TIMO KYLMÄLAHTI  
DIRECTOR  
INTERNATIONAL SALES



TIM GASE  
PRESIDENT  
PEERLESS SAW CO. USA



HELMUT W. KRAMER  
DIRECTOR  
HACKMAN TTT GMBH  
GERMANY



ANDRÉ DELOFFRE  
SALES MANAGER  
HACKMAN TTT STÉ,  
FRANCE

## Auditors

JOE SUNDHOLM  
AUTHORIZED PUBLIC  
ACCOUNTANT

JAN HOLMBERG  
AUTHORIZED PUBLIC  
ACCOUNTANT

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 In Finland 0204 39 5160  
 Sales  
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 Adm.  
 Fax +358 204 39 5170  
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**Iisvesi factory**

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### **Financial Information**

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

WEEK 14

Annual Report 1996

WEEK 24

Interim Report, January - April, 1997

WEEK 42

Interim Report January - August, 1997

The publications can be ordered  
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