

CONTENT

GROUP STRUCTURE	2
HIGHLIGHTS AND 1998 IN BRIEF	2
CHIEF EXECUTIVE OFFICER'S REVIEW	4
DESIGNOR	6
METOS	8
TTT	10
HADWACO	12
EUROTANKS	14
REPORT OF THE BOARD OF DIRECTORS	15
INCOME STATEMENTS	18
CASH FLOW STATEMENTS	19
BALANCE SHEETS	20
ACCOUNTING PRINCIPLES	22
NOTES TO THE FINANCIAL STATEMENTS	24
GROUP KEY RATIOS AND FIGURES	34
CALCULATION OF KEY RATIOS	35
SHARES AND SHAREHOLDERS	36
PROPOSAL OF THE BOARD OF DIRECTORS	40
AUDITORS' REPORT	41
BOARD OF DIRECTORS, AUDITORS AND EXECUTIVE BOARD	42
KEY PERSONNEL OF THE GROUP FUNCTIONS AND DIVISIONS	44
DIRECTORY	46
NOTICE TO THE SHAREHOLDERS	48
SUMMARY IN EUROS	49

HACKMAN OYJ ABP

Hackman was founded in 1790 and the company's roots are in Finland. Throughout its more than 200-year history, Hackman has been a diversified company. Hackman Oyj Abp is a holding company that is responsible for Group functions. The Hackman Group comprises five divisions that each have a distinctly independent role.

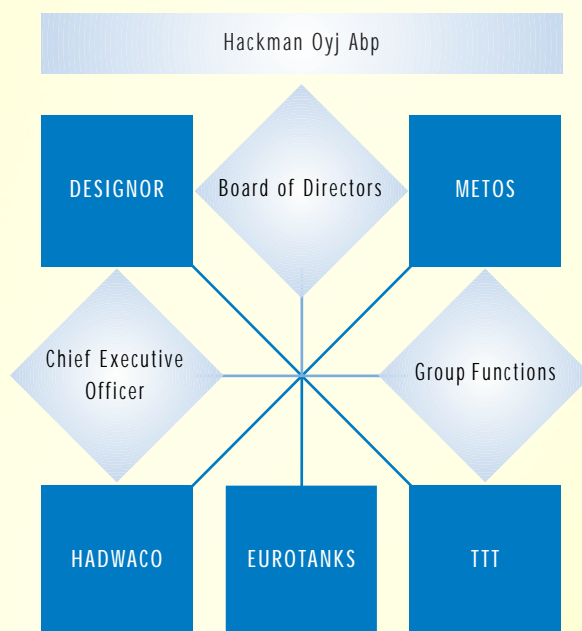
- Designor manufactures branded products for cooking and table-settings.
- Metos specializes in products and complete solutions as well as total service system for efficient food and beverage production for professional kitchens.
- Eurotanks manufactures precision-engineered products for milk cooling.
- Hadwaco manufactures and markets water treatment equipment and equipment for the process industry.
- TTT manufactures wood-cutting knives that are well known throughout the pulp, plywood and sawmill industry around the world.

The Hackman Group has operations in several countries. Consolidated net sales in 1998 were FIM 1 918.4 million and the Group had a payroll of 3 225 employees, of whom 1 521 worked outside Finland.

The Hackman Group's strength lies in its stable industrial tradition and motivated personnel. The Group also has a clearly defined internationalization strategy that is based on the identification of its own strong areas of competence as well as on a customer-centered approach.

Our objective is to be one of the leading suppliers in our selected business and market areas. We strive single-mindedly to make Hackman known as a customer-first company that has strong brands.

GROUP STRUCTURE



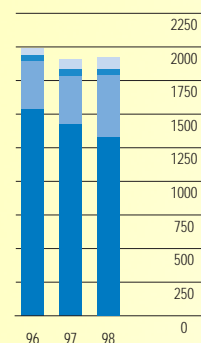
HIGHLIGHTS

Earnings in the black, but not satisfactory.

The divisional business areas were streamlined by divesting household plastics, candles and process equipment operations in Sweden.

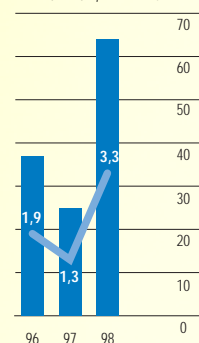
1998 IN BRIEF

NET SALES, FIM MILLION



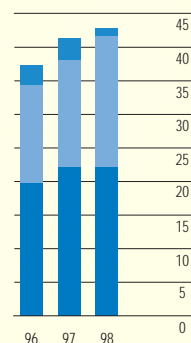
Other countries
North America
Other European countries
Nordic countries

OPERATING RESULT AFTER DEPRECIATION, FIM MILLION



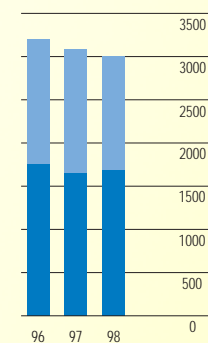
Operating result
% of net sales

EQUITY RATIO %



Minority interest
Unrestricted equity
Restricted equity

PERSONNEL, DECEMBER 31



Other countries
Finland

		1998	1997	Change	%
Net sales	FIM million	1 918	1 910	8	0.4
Outside Finland	FIM million	1 226	1 101	125	11.4
Operating result after depreciation	FIM million	64	25	39	156.0
Share of net sales	%	3	1	2	
Result before extraordinary items	FIM million	27	-1	28	
Share of net sales	%	1	0	1	
Gross investments	FIM million	191	79	112	141.8
Balance sheet total	FIM million	1 493	1 631	-138	-8.5
Earnings per share (EPS)	FIM	6.78	-6.37	13.15	
Dividend/earnings	%	37	neg.	-	
Return on investment (RNA)	%	6	3	3	
Return on equity (ROE)	%	5	-2	7	
Equity ratio		43	41	2	
Number of personnel, December 31		3 003	3 084	-81	-2.6
Outside Finland		1 319	1 430	-111	-7.8

For a complete list of key figures see pages 34 and 39.

Operations in 1998 have been geared toward streamlining the structure of the divisions and improving the Group's strategic operational capability. We have divested non-core businesses, such as household plastics, candles and process industry equipment for milk cooling. On the other hand, with a view to creating independent and integral businesses, the Stainless Division was divided into the Eurotanks and Hadwaco divisions. This will help to build an understanding of the factors underpinning the success of these businesses, and it will improve our chances of successfully undertaking industry-level structural changes.

DEVELOPMENT FOCUSING ON DIVISIONAL BUSINESSES AND PERSONNEL

The Hackman Group's earnings developed in line with our long-term plan, but did not yet reach a satisfactory level. It must nevertheless be borne in mind that we have channeled extra resources into product development and marketing, which are just beginning to yield the sought-for benefits. As we increase our active inputs and concentrate on a smaller number of remaining businesses, we are aiming to achieve real breakthroughs on the market.

In 1998 we directed our efforts toward streamlining the divisions and the Group structure. The next stage will be for us to concentrate on developing the efficiency of our internal operations. In particular, we will emphasize the simplification of organizational structures and give the personnel greater scope to show their initiative and to have a say in how things are done. We have also developed ways of encouraging our people to continually take an active part in realizing Hackman's objectives. Furthermore, the human resource functions of the divisions have been strengthened, as part of building their independent capabilities. Training for managers has been started at the Group level and it will be introduced for selected target groups, employing Hackman's own resources and external consultants. During 1998 we also started workplace atmosphere surveys that will serve as an aid in further developing our operations. The surveys will be seen to completion in all our units in 1999.

HACKMAN'S WAY TO OPERATE

Each of Hackman's businesses has its own typical success

factors that guide its ways of working and determine its structures. In addition, we have defined Hackman's general way of working. It comprises the following basic factors: strong business ethics, customer focus, openness and participation and a will for renewal.

We observe strong business ethics and generally approved standards. The fundamental elements underpinning the company's success are clearly defined business objectives and guidelines together with a well-functioning organizational structure and motivated personnel.

Satisfied customers are the starting point for our operations. It is important to us that the quality of our products and service meet the customer's expectations right down to the end user. We place particular emphasis on the active and systematic collection of customer feedback, which we utilize across the entire organization in further developing our operations.

Respect for the individual, openness and a shared vision are the foundation of the culture that runs through the Hackman organization. Ours is a flat organization and it favors personal contacts among all our people. Participation in developing one's own work and that of the entire workplace are the key elements of efficiency. By adopting a goal-oriented and committed way of working, we create the best conditions for cooperation. We promote fast decision-making and implementation that are based on a common view.

We recognize the need to prepare for continuous change. The key areas of expertise which the organization has identified and their continual development make it possible to manage change instead of merely reacting to it.

The openness of the organization together with a creative and flexible working environment fosters a shared way of making decisions and learning from experience, even when mistakes occur. Our organization's ability to develop is based on learning from other people and units.

INFORMATION TECHNOLOGY CAPABILITIES AT THE TURN OF THE MILLENNIUM

As part of the Year 2000 information management project, we are also concentrating on simplifying our previously fragmented information management systems. The Year 2000 information management project is progressing according to



plan, and we do not foresee any particular factors of uncertainty that have not already been provided for by means of advance testing or other measures. The bulk of the approximately FIM 10 million total costs of the Year 2000 project consists of system upgrades that have been brought forward to 1998-1999.

ENVIRONMENTAL PROGRAMS

Guidelines for the environmental programs of the divisions and units have been drawn up at the Group level during 1998. The programs cover individual locations, local conditions and the specific nature of each business. Because the Hackman Group stresses the operational independence of its divisions, the directions in which the environmental programs are moving will be discussed in the surveys of the divisions.

OUTLOOK FOR THE GROUP

The Group's future perspectives hinge on the action plans formulated by the divisions. Group management will keep a close eye on the trends in different industrial sectors and watch for any consolidation opportunities they offer, and we will further strive to streamline our structure and ensure the growth of key areas.

During 1998 we clearly defined our ways of working, and

in the years ahead this will be a boon to operations control and job flows. I wish to express my warmest thanks to all our people for the positive attitude they have taken to our work aiming at developing company procedures and for the good effort our employees have put in during 1998. I also wish to thank the Board of Directors for its support in carrying ahead Hackman's development work, with its pronounced emphasis on building an enduring foundation for the company's profitability in coming years.

Tapio Hintikka
President and CEO

DESIGNOR

Designor is Scandinavia's leading manufacturer of brand-name kitchen utensils and tableware featuring distinctive design.

BUSINESS AREAS

Designor's business areas are organized according to its four strategic brands: Arabia, Hackman, iittala and Rörstrand. All the brands are characterized by a strong commitment to design. Cooperation with internationally renowned designers is therefore a key element of Designor's approach.

Arabia

Arabia is banking heavily on product development, and its range of porcelain tableware and decorative objects is going through a major renewal. For example, the Design Plus awards that were received at the Ambiente Trade Fair in Frankfurt demonstrate that 125-year old Arabia's design work is top-ranking internationally. Arabia's production is undergoing thorough development, notably by investment in modernization of production methods, including recent upgrades such as pad printing and pressure molding.

Hackman

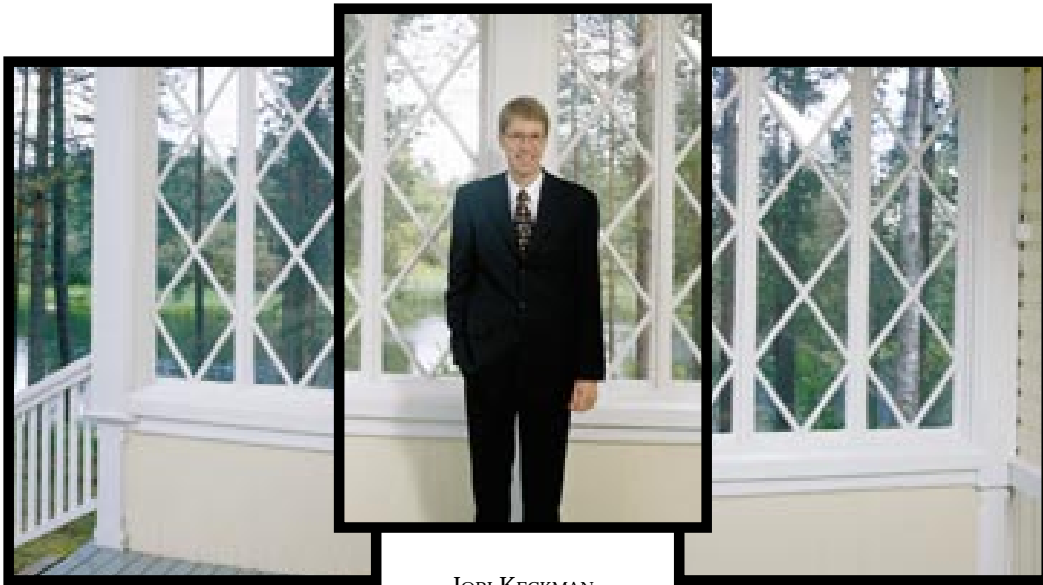
Hackman is Scandinavia's leading brand of cutlery and cookware. Hackman products are known for their timeless, modern design, superior quality and innovative product development. Today, Hackman products are designed in cooperation with the leading Finnish and international designers. The most important launch in 1998 was the Hackman *tools*TM series, which won international recognition for the Hackman brand. The Hackman *tools*TM series has won a number of awards such as the iF Design Award, Utmärkt Svensk Form (Excellent Swedish Form), Finland Designs, Form98 and Design Plus. The products will also be included in the 1999 Yearbook of International Design, and they have won a place in the permanent collections of the National Museum of Fine Arts in Stockholm.

iittala

iittala's utility and decorative glass has a distinctive hand-crafted allure. An unbiased approach to form and active cooperation with designers have been iittala's hallmarks for years. The unifying trait of the products is sleekness of form, practicality and superior quality. The articles are manufactured by traditional glassblowing methods as well as to some extent by machine or in machine-assisted production. iittala's glass is lead-free.

In February, 1999, iittala presented its "Relations" project,





JORI KECKMAN

PRESIDENT, DESIGNOR • MANAGING DIRECTOR, HACKMAN DESIGNOR OY AB

an ambitious venture that has been carried out in cooperation with internationally renowned designers.

Rörstrand

Rörstrand manufactures porcelain tableware and decorative objects. Rörstrand is a master of decoration, and it invests heavily in marketing and the development of its product range. Rörstrand's Life/Pattern rejuvenation project involves active and far-ranging product development work together with a number of big names in international design. The first tangible result of this effort is the "Swedish Grace" tableware set that was unveiled in the spring of 1999.

PERSONNEL

In line with the Group's personnel policy, Designor has strengthened its own human resources. Designor develops its people by investing in training, new premises and internal job rotation. The division's organization has now been recast to meet future needs.

THE ENVIRONMENT

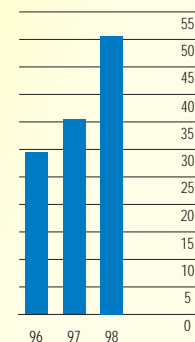
Environmental issues are an essential part of our enduring values. Starting with the product development stage, the materials that go into our products are selected with an eye to the product's entire life cycle. We also make every effort to use recyclable materials in our packaging. In our production processes, we constantly seek to minimize the consumption of energy and water, and to reduce emissions from processes where firing is used. The objective for environmental compliance is to reach at least the level of the

ISO 14001 standard.

OUTLOOK

Designor is investing purposefully in design and in the development of its brands. Boosting productivity and efficiency both in production and in other areas of operations calls for management of the product range and logistics as well as effective operations control in a changing environment. It is important to strengthen market positions and to stake out new market areas, because significant growth is not expected in Designor's main markets.

OPERATING RESULT AFTER DEPRECIATION, FIM MILLION



DESIGNOR, FIM million	1998	1997
Net sales	739.0	745.8
Outside Finland	379.9	327.6
Operating result after depreciation	51.0	35.8
% of net sales	6.9	4.8
Investments	37.6	26.2
RNA %	10.2	4.4
Personnel, average	1 538	1 483
Outside Finland	532	514

METOS

Metos designs, manufactures and markets products and complete solutions which customers require for high quality food and beverage production in their professional kitchens. The Metos brand name guarantees product quality and years of dedicated customer service. The Metos product range includes individual pieces of equipment and full-scale turnkey kitchens as well as service products, tableware, glassware and cutlery.



BUSINESS AREAS

Metos' operations are based on four business areas. Dishwashing systems form a major and the most international part of Metos' operations.

The cooking and frying business area concentrates largely on the Northern European market, though its combi-kettles are marketed through distributors worldwide.

Food distribution systems are largely a Scandinavian business area, mainly due to cultural differences in the field and to customers' individual needs.

The fourth area is the Metos-developed Best Local concept, a total service system in which Metos' own organization assumes total responsibility for the design, delivery and placing in operation of a professional kitchen, all the way down to continuous maintenance and servicing. The Best Local concept focuses mainly on Northern Europe as well as on galleys for freighters and passenger vessels around the world.

METOS TRADEMARKS

The division's main trademark is Metos. Its Wexiödisk and Dühr dishwasher trademarks are also well known in Europe. Of the two, primarily larger dishwashing machines and systems for demanding applications are marketed under the Wexiödisk trademark, whereas the Dühr trademark is mainly targeted at the market for dishwashing machines in cafés and restaurants.

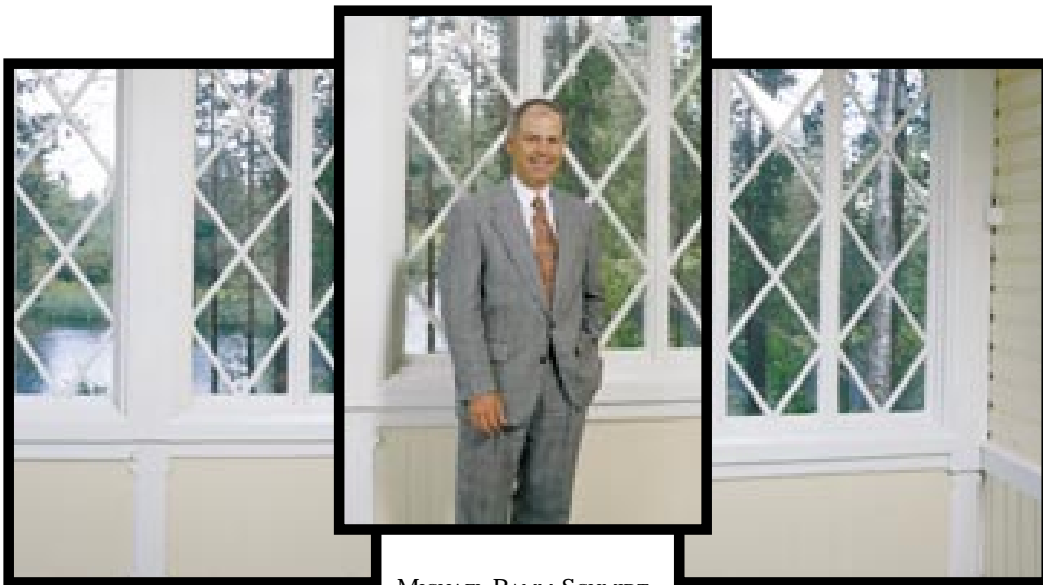
COMPETITIVE ADVANTAGE

THROUGH PRODUCT DEVELOPMENT

Metos is stepping up its operations by investing in its own production in areas where it can gain a leading position in Europe.

Increasing attention is being focused on product development. As a result of product development, the most important launch in 1998 was Wexiödisk's new rack conveyor dishwasher. Another significant achievement was the new Culino 98 combi-kettle series. A third important new launch was the range of Dühr under-counter dishwashers.

In Northern Europe, the development of the Best Local concept – assuming long-term total responsibility for kitchen services – progressed according to plan. Today, in Finland, Sweden and Norway as well as Estonia, Metos has a well rounded organization that is capable of providing the best overall service local to the customer.



MICHAEL RAMM-SCHMIDT

PRESIDENT, METOS • MANAGING DIRECTOR, HACKMAN METOS OY AB

PERSONNEL

In step with acquisitions and organic growth, Hackman Metos has developed its organization in many ways. An important part of this effort has been the recruitment of personnel for sales, marketing, product development and after-sales service. Human resources administration has also been strengthened.

All of the division's 150 service technicians have gone through comprehensive product and servicing training during 1998. Metos maintains a continuous internal training program for product and customer know-how as well as IT-systems. Members of the management team also participated in the Globus training program for Hackman's management, and some of them attended training courses run by external consultants.

THE ENVIRONMENT

Professional kitchens are major users of energy and water, and they produce sizable amounts of waste water. Products that have moderate operating costs generally also exert a lesser load on the environment. To this end, Metos purchased the patented ICS control system which enables rack conveyor dishwashers to achieve up to 40 percent savings in the consumption of water, energy and detergent.

Furthermore, Metos manufactures waste processing and sorting products to help customers meet their environmental compliance needs. Metos' servicing operations, too, promote environmental protection, because equipment that is well serviced and in good operating condition is easier on the environment.

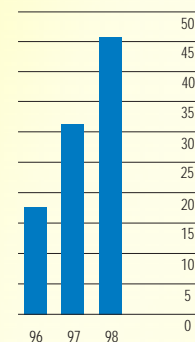
Metos' own production is not of a kind that subjects the environment to significant stresses. The factories have their

own systems for returning and sorting raw materials and waste, and these systems are developed continuously.

OUTLOOK

Metos does not expect growth in demand in 1999, but even a slight decline. Expectations nevertheless vary for different business areas and markets. Competition will become even tougher as companies in the field look to Europe to offset the slowdown in the markets of Asia and Eastern Europe. All in all, uncertainty in the market will be a major factor in the years ahead. Consolidation in the industry is moving ahead, and small companies are being acquired by larger ones.

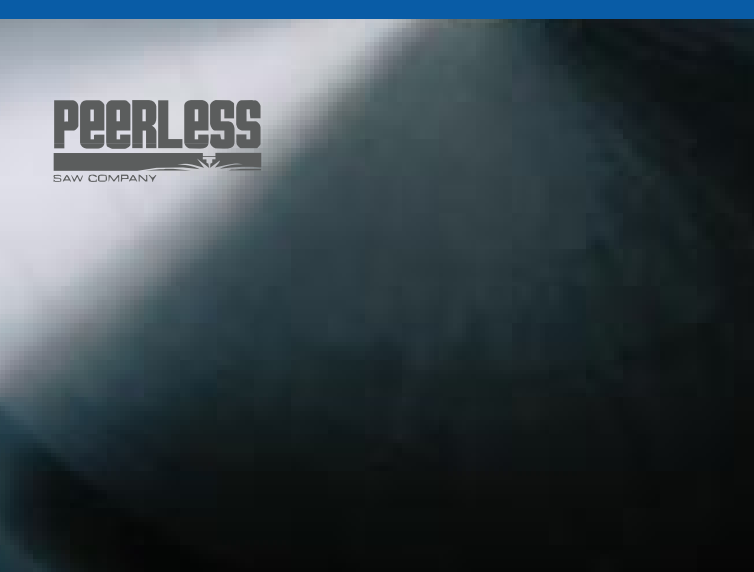
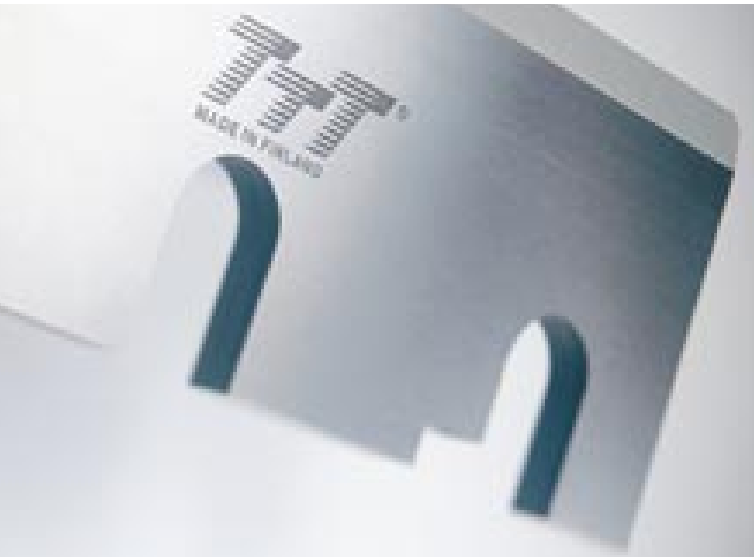
OPERATING RESULT AFTER DEPRECIATION, FIM MILLION



METOS, FIM million	1998	1997
Net sales	570.0	470.1
Outside Finland	337.9	216.5
Operating result after depreciation	45.9	31.3
% of net sales	8.0	6.7
Investments	119.3	18.6
RNA %	21.4	23.6
Personnel, average	682	529
Outside Finland	337	203

TTT

TTT is known worldwide as one of the leading suppliers of traditional wood-cutting tools to the pulp, plywood and sawmill industry.



TRADEMARKS

Most of the knives and blades that are manufactured in Toijala and Outokumpu, Finland, are marketed worldwide under the TTT trademark. Cutting tools are also supplied to the Swedish and Norwegian market under the 150-year old Stridsbergs trademark. Circular saw bodies bearing the Peerless trademark are manufactured in Columbus, Ohio, for the market in the USA. In addition, both the Peerless and Toijala units offer their customers laser cutting services.

BUSINESS AREAS

TTT has four business areas. One of the business areas comprises various high-durability chipper knives that are used in the pulp industry.

Another major area is knives that are used in the plywood and particleboard industry. A promising new and growing target group is manufacturers of OSB panels. North America has taken the lead in the use of OSB panels, and demand for these products is also growing in other parts of the world. Another important product of this business area is veneer slicer knives, which are used in the manufacture of expensive veneers made from the choicest grades of wood.

The third business area is circular saw blades, which are used in both the sawmill industry and in the plywood and pulp industry. Circular saw bodies are manufactured primarily for use in the wood, metal and plastics industries in the USA.

A highly specialized area within TTT's production is hard-surfaced machine components that are used in the wood-processing industry.

SUSTAINABLE DEVELOPMENT

Production methods have been actively upgraded during 1998 and they will assume an increasing importance in 1999. Over the long term, we are seeking to develop our operations through highly focused strategic planning. In the short term, we are stepping up sales and marketing efforts.

One of TTT's major investments is a heat treatment line for the Outokumpu Plant. The new line will ensure continual improvements in product quality. The results of ongoing product development projects will soon be unveiled in the months ahead, and they will have an important impact on the division's future.



HENRIK IMMONEN

PRESIDENT, TTT • MANAGING DIRECTOR, HACKMAN TTT OY AB

PERSONNEL

The personnel training programs offered by the Hackman Group have played a central role in the division's development activities during 1998. In addition, TTT has had its own internal general training since 1990. Employees have taken an active part in the Group's IT training, and members of TTT's management team have also gone through the Globus training program for Group management.

THE ENVIRONMENT

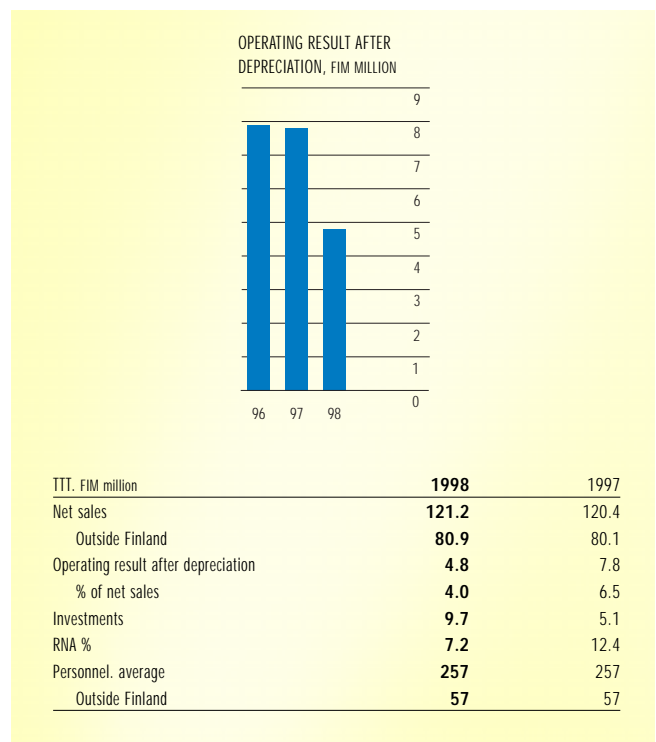
Thanks to the new heat treatment line at the Outokumpu Plant, greater energy savings have been achieved than had been estimated originally. In addition, up to 20 tons of material will be saved annually in the production process. At both of our plants in Finland, a soil quality study has been carried out that has shown the groundwater to be pure, and given good marks to the factories for their overall operations.

All of TTT's products are part of steel recycling. The raw material that is used to make the blades is high-quality tool steel that originates from melted-down recycled steel scrap.

OUTLOOK

TTT operates in a mature industry which at present is going through a slight downturn. The sales target in the Far East was not reached. TTT's products are nevertheless consumables which enjoy continuous demand even during downturns,

though business cycles affect selling prices to some extent. The effects of business cycles in the Far East hit TTT with a short lag, and their consequences will show up during 1999. Thanks to new and sharply focused strategies, TTT is well poised to move forward in the years ahead.



HADWACO

Hadwaco serves a worldwide clientele and designs, manufactures and markets evaporation-based water treatment systems for the purification of industrial waste water and landfill leachates as well as tanks, equipment and piping for the process industry.



Hadwaco Ltd Oy and Hackman Prosessi Oy Ab were merged in the autumn of 1998 to form the Hadwaco Division and Hadwaco Ltd Oy, which is a separate legal entity. In other respects, operations will continue unchanged, with the former Hackman Process unit still manufacturing high quality process equipment according to clients' drawings. Hadwaco is currently establishing an industry presence and is perfecting water treatment systems that are still in the reference plant stage.

WATER TREATMENT SYSTEMS BUSINESS AREA

In its product development, Hadwaco's Water Treatment Systems unit is focusing on three main areas. It is farthest along in systems for the treatment of landfill leachates. In addition, Hadwaco is directing its efforts towards handling the process water in the forest industry and dealing with the waste water problems of surface treatment plants.

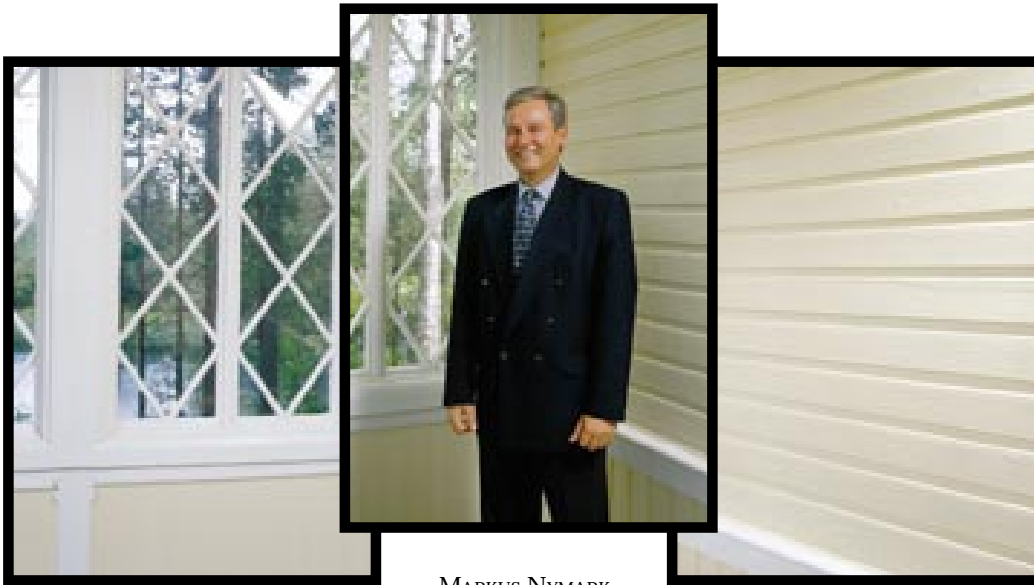
Good reference results have been reached in all the product areas, and during 1999, Hadwaco will begin capitalizing on these results in its marketing. Within evaporation equipment, Hadwaco is moving ahead with improvements in heat transfer elements that will deliver up to double the purification capacity.

Among the landfill leachate reference plants Hadwaco has completed is the Kujala waste treatment station in Lahti, Finland, while similar plants have been built in Spain and Italy as well. A reference plant for an industrial laundry has been delivered to the Netherlands, and the most recent reference plant, which is capable of purifying water used to clean transport tanks that are used to treat hazardous substances, was delivered to Sweden.

In plants that surface treat metals, Hadwaco has obtained experience above all in treating waste water that arises in the processing of aluminum. A Hadwaco water treatment system is also part of the water treatment system of a steel mill that will be built in a nature protection reserve in South Africa. The mill will start up in the spring of 1999.

Hadwaco has experience in the treatment of waste water in the forest industry from systems it supplied to Stora Enso's Gruvö mill back in 1995. Another reference plant was delivered a couple of years ago to the Arab-Paper paperboard mill in Saudi Arabia. This system comprises two modules, one of which purifies the saline groundwater so that it can be used as





MARKUS NYMARK

PRESIDENT, HADWACO AND EUROTANKS • MANAGING DIRECTOR, HADWACO LTD OY

process water, while the other treats process waste water for recycling back into the process.

PROCESS EQUIPMENT BUSINESS AREA

The main clientele of the Process Equipment business area are the pulp and paper industry, whose capital expenditures in Scandinavia are mainly replacement investments. The process equipment unit made a large delivery to Germany in the spring of 1999, and at present it will focus on deliveries to continental Europe. In 1998 the unit received TÜV approval granting the right to manufacture products according to German technical standards, thereby strengthening Hadwaco's position on the continental European market. The Process Equipment unit also has the capability to take on larger projects.

PERSONNEL

The number of personnel in the Process Equipment business area has stabilized over the past years. Within water treatment systems, however, the marketing staff has been strengthened both through training programs and by recruiting new employees. Both units also emphasize the importance of internal training, and in the years ahead particular attention will be directed at development of the personnel.

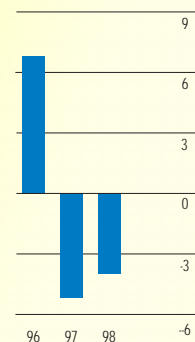
THE ENVIRONMENT

A completely closed-circuit waste water system is in use in the manufacture of Hadwaco's process equipment. The plastic cartridges that are used in water treatment are recyclable products. Hadwaco also observes the Group-wide environmental guidelines, and preliminary environmental audits involving them have already been carried out.

OUTLOOK

The process equipment field is watching with close interest the large merger deals that are being struck in the pulp and paper industry. The effects of these deals will become apparent toward the end of 1999. The repercussions of the crisis in South-East Asia will be offset as far as possible by landing orders in continental Europe. The situation in South-East Asia will not have an impact on the water treatment business. On the other hand, the Waste Water Act which is presently being drafted by EU authorities will presumably create pressures for the improved treatment of process water, and thus increase the demand for water treatment systems.

OPERATING RESULT AFTER DEPRECIATION, FIM MILLION



STAINLESS, FIM million	1998	1997
Net sales	374.5	386.1
Outside Finland	337.4	342.5
Operating result after depreciation	-4.0	-5.2
% of net sales	-1.1	-1.4
Investments	20.4	15.5
RNA %	-2.5	-7.0
Personnel. average	511	544
Outside Finland	384	419

Hadwaco and the Eurotanks Divisions belonged in the Stainless Division in 1998.

The figures of Hadwaco and Eurotanks are included in the figures of the Stainless Division.

EUROTANKS

Eurotanks designs and manufactures precision-engineered milk cooling products and markets them worldwide.

Eurotanks has been made into a new division. The milk cooling business was previously part of the Stainless division, but toward the end of 1998 it was turned into a separate division. Stainless was divided into the Hadwaco and Eurotanks divisions, because it is the objective of the Hackman Group to create independent divisions with a clear-cut identity.

THE EUROTANKS BUSINESS AREAS

Eurotanks is made up of its main company, Prominox S.A. in Nevers, France, as well as Hackman Wedholms AB in Nyköping, Sweden and Eurotanks Polska S.p.a. in Poland. From the beginning of 1999, Prominox has been divided into two independent companies. The first, Prominox S.A., manufactures milk cooling tanks, whereas the other, Prominox Industrie S.A., makes process tanks.

The precision-engineered milk cooling products manufactured by Prominox are marketed worldwide through the channels of Alfa Laval Agri. The name Prominox is used only in French-speaking countries. Scandinavia is the domain of Wedholms, which operates as a parallel brand that is being developed energetically. Wedholms is also presently participating in deliveries to Germany, Austria, Switzerland, Poland and the Baltic countries. Over the long term, Eurotanks is being built into a main trademark that will be sold in all market areas.

PERSONNEL

Most of the Eurotanks personnel work outside of Finland. This makes it important to implant the Hackman Group's common working practices at the Eurotanks companies in France, Sweden and Poland. This activity is supported through actions such as management training programs within the Group. Personnel levels have varied considerably owing to the good backlog of orders at the start of the year, when there were 150 more employees on the payroll than at the end of the year. Most of these 150 employees were employed under a fixed-term contract, as is typical in this field.

THE ENVIRONMENT

The coolants used in Eurotanks' milk cooling tanks are freon-free coolants that conform to the requirements of the authorities. The requirements in this area are very stringent, particularly in Sweden. Wedholms is the only serial-production company that meets these requirements.

TREND IN THE MARKET AREAS

Sales in Poland doubled in the first part of the year. Good results were also achieved in Brazil and elsewhere in South America. At present, however, the situation in these areas is unstable, but it is expected to even out after the worst crises are over. Marketing and sales will be strengthened significantly during 1999 by means of organizational changes within the division.



Wedholms

PROMINOX
A Hackman Company

Hadwaco and the Eurotanks Divisions belonged in the Stainless Division in 1998. The figures of Hadwaco and Eurotanks are included in the figures of the Stainless Division on page 13.

REPORT BY THE BOARD OF DIRECTORS

The Group's result improved but is still unsatisfactory. During 1998 the divisional business areas were streamlined by divesting household plastics, candles and process equipment operations in Sweden.

CHANGES IN THE GROUP STRUCTURE

The Stainless Division was divided into the Eurotanks and Hadwaco divisions at the beginning of 1999 and now the Group has five divisions. The rest of the divisions are Designor, Metos and TTT. At the end of August the household plastic activities, Hammarplast AB and its subsidiaries have been divested, as well as Havi Candles Business Area, which has belonged to the Division Designor. In Sweden the Process Tanks Business Area was divested in April. It belonged to Hackman Wedholms AB.

THE NET SALES

The Group's net sales totaled FIM 1 918.4 million, an increase of 0.4% compared with the corresponding period last year (FIM 1 909.9 million). Excluding the Business Area Process Tanks in Sweden, divested in April and the Household Plastic activities and the Business Area Havi Candles, both divested in August, the Group's net sales increased by FIM 179.9 million or 11.4%. The share of exports and foreign sales in Group net sales totaled 63.9% or FIM 1 226.2 million (57.6%; FIM 1 100.6 million).

RESULT

The Group's gross margin was FIM 537.4 million, 28.0% of the net sales (FIM 482.5 million; 25.3%). The operating result totaled FIM 64.0 million or 3.3% of the net sales (FIM 24.9 million; 1.3%), an improvement of FIM 39.1 million.

The other operating income and expenses include FIM 57.6 million (FIM 47.7 million) expenses of research and product development, rental income FIM 4.1 million (FIM 5.0 million) as well as gains on the sales of the fixed assets FIM 4.9 million (FIM 6.0 million). Depreciation according to plan included in activity-based expenses was FIM 96.3 million (FIM 93.3 million).

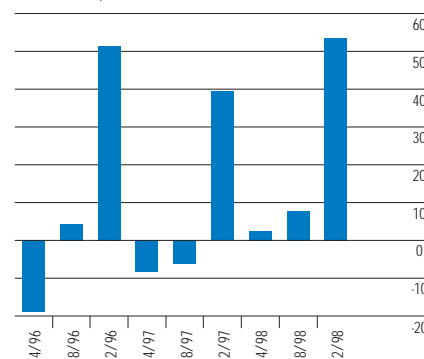
Net financial costs totaled FIM 36.7 million or 1.9% of net sales (FIM 25.6 million; 1.3%). The Group's operational result after financial items and before extraordinary items totaled FIM 27.3 million (FIM -0.7 million). The result includes an operational loss of FIM 12.8 million for eight months from the Household Plastic and candle activities.

As extraordinary income and expenses are reported the result of divestments and other important changes in the structure, which do not belong to the ordinary business activities. These transactions have previously been reported in the non-recurring items. The comparison figures of the previous periods have been amended in the same way.

The extraordinary items totaled FIM 35.8 million (FIM 37.4 million). The income includes Hackman Invest's gains on the sale of forest and land totaling FIM 48.2 million (FIM 30.2 million). Most of these gains were generated from released revaluation. The income also includes the result from the divestment of the Household Plastic, Hammarplast AB and its subsidiaries and the Havi Candle Business Area, totaling FIM 5.5 million. The extraordinary expenses include the additional structuring and reorganizing expenses, totaling FIM 8.0 million, as well as pension liabilities of FIM 4.8 million, previously reported outside the balance sheet

The result before appropriations and taxes totaled FIM 63.1 million (FIM 36.7 million), an increase of FIM 26.4 million compared with 1997. Taxes for the year totaled FIM 8.5 million (FIM 21.8 million). The deferred tax liabilities have decreased by FIM 29.3 million mostly because there are no net deferred tax liabilities concerning the Finnish activities.

OPERATING RESULT AFTER DEPRECIATION, FIM MILLION



Result after extraordinary items, taxes and minority interests, totaled FIM 51.0 million (FIM 3.7 million).

DIVISIONAL PERFORMANCES

Hackman Designor's net sales totaled FIM 739.0 million (FIM 745.8 million). Sales outside Finland were FIM 379.9 million or 51.4% (43.9 %; FIM 327.6 million). Designor's operating result was FIM 51.0 million, an improvement of FIM 15.2 million compared with last year (FIM 35.8 million). At the end of August, the Business Area Havi Candles was divested.

Hackman Metos' net sales totaled FIM 570.0 million (FIM 470.1 million). Sales outside Finland were FIM 337.9 million or 59.3% (FIM 216.5 million; 46.0%). Hackman Metos' operating result of FIM 45.9 million improved by FIM 14.6 million from 1997 (FIM 31.3 million). In April Metos acquired Dühr International S.r.l in Italy, and in May a further 15% of the shares in Wexiödisk Förvaltnings AB in Sweden: the ownership is now 85%. At the beginning of June Metos acquired PW System AB and Tillrooths Storkökservice AB in Sweden, followed in October by Pakkaskone Oy in Finland and the business activities in Frost Team AS in Norway.

Hackman Stainless', which after the divestment of the Business Area Processtanks in Sweden, in April consisted of the Business Areas Hadwaco and Milkcooling, net sales to-

taled FIM 374.5 million (FIM 386.1 million). Sales outside Finland were FIM 337.4 million or 90.1% (FIM 342.5 million; 88.7%). Stainless' operating result, FIM -4.0 million, improved by FIM 1.2 million from previous year (FIM -5.2 million). Hadwaco delivered several reference units. The Business Area Milkcooling has developed according to the plans.

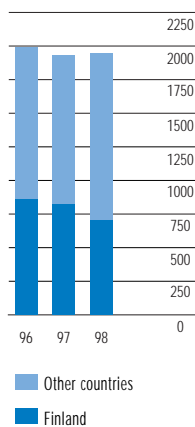
Hackman TTT's net sales totaled FIM 121.2 million (FIM 120.4 million). Sales outside Finland were FIM 80.9 million or 66.8% (FIM 80.1 million; 66.6%). TTT's operating result FIM 4.8 million declined by FIM 3.0 million from the 1997 level (FIM 7.8 million).

Hackman Invest's net sales totaled FIM 127.9 million (FIM 228.8 million). The decrease in net sales was caused by the divestments of the Household Plastic activities at the end of August, 1998 and of Nordic Cosmetics Ltd Oy at the end of 1997. Sales from timber sold from the Group's forests increased by FIM 3.8 million and totaled FIM 4.9 million (FIM 1.1 million). Hackman Invest's operating result was FIM -22.6 million (FIM -22.3 million).

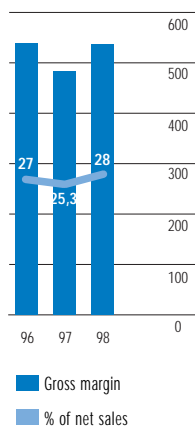
INVESTMENTS AND FINANCE

The Group's gross investments totaled FIM 190.8 million (FIM 79.0 million). The biggest separate item consists of goodwill, FIM 84.0 million. The goodwill is partly originated

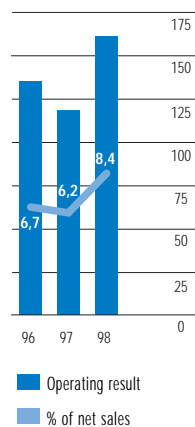
NET SALES, FIM MILLION



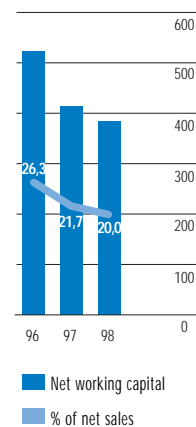
GROSS MARGIN, FIM MILLION



OPERATING RESULT BEFORE DEPRECIATION, FIM MILLION



NET WORKING CAPITAL, FIM MILLION



from Hackman's acquisition of the remaining 40% of the shares of Hackman Metos Oy Ab from Instrumentarium Oyj in the beginning of the year and partly from the acquisitions made by the Metos Division.

Net working capital totaled FIM 383.4 million at the year end or 20.0% of the net sales (FIM 414.6 million; 21.7%). The Group's liquidity was good throughout the year. Interest bearing liabilities declined during the year by FIM 61.7 million and were FIM 486.8 million at the turn of the year. Short term liabilities were FIM 528.7 million (FIM 528.6 million) in total and long term liabilities were FIM 304.4 million (FIM 423.9 million) in total.

SOLVENCY

At the end of the year the Group's equity totaled FIM 618.4 million (FIM 610.9 million) or FIM 140.55 per share (FIM 138.85). In the Financial Statement the reserves have been divided into unrestricted equity and tax liabilities. In the calculation of the deferred tax liabilities the current tax rate of each country (28 - 41%) has been applied. In Finland there are no deferred tax liabilities. The Group's equity ratio was 42.7% (41.3%).

At the end of 1998 the Group had 16 817 hectares of forest, 141 hectares of waterfront property, 74 hectares of industrial property and 35 hectares of residential property.

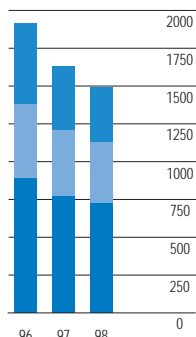
The total consolidated balance sheet value of these assets was FIM 218,8 million.

For 1995-1998, the agreements called for a total of FIM 334.3 million (31 337 hectares) in the sale of forest and waterfront property. Deals worth a total of FIM 284.2 million were executed in 1995-1997 and deals worth of FIM 50.1 million involving 4 988 hectares were executed in January 1998. The sales have improved the Group's liquidity, but have not had any fundamental effect on the Group's equity. The sales prices of the property were mainly equal to the book value, taking into account the earlier revaluation.

FUTURE OUTLOOK

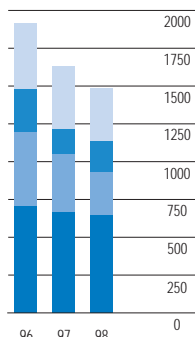
We foresee that the demand of our products in the European market will level off and put pressure on profit margins. Hackman Group has invested in product development and marketing, while simplifying the structure and focusing on operational efficiency. In spite of the worsened market situation the Group has the prospect of reaching moderate growth in net sales and profit in 1999.

ASSETS, FIM MILLION



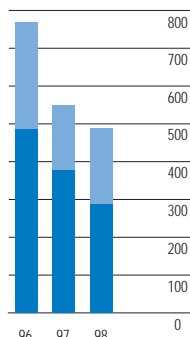
■ Current assets
■ Inventories
■ Fixed assets

LIABILITIES, FIM MILLION



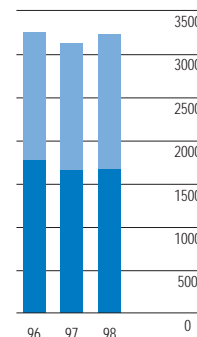
■ Interest free liabilities
■ Current interest bearing liabilities
■ Non-current interest bearing liabilities
■ Minority interest + shareholders' equity

INTEREST BEARING LIABILITIES, FIM MILLION



■ Current
■ Non-current

PERSONNEL, AVERAGE



■ Other countries
■ Finland

INCOME STATEMENTS

FIM millions	Note	Group				Hackman Oyj Abp			
		1998	%	1997	%	1998	%	1997	%
Net sales	1	1 918.4	100.0	1 909.9	100.0	5.0	100.0	1.2	100.0
Cost of goods sold	3	-1 381.0		-1 427.4		-1.9		-2.2	
Gross margin		537.4	28.0	482.5	25.3	3.1	61.4	-1.0	-87.4
Sales and marketing expenses	3	-280.9		-276.3					
Administrative expenses	3	-123.8		-121.8		-27.3		-27.3	
Other operating income	4	20.0		12.0		6.4		8.9	
Other operating expenses	3,5	-68.3		-54.3		-0.1		-0.8	
Depreciation of group goodwill	3	-20.4		-17.2					
		-473.4		-457.6		-21.0		-19.3	
Operating result	6	64.0	3.3	24.9	1.3	-18.0	-358.8	-20.3	-1,732.0
Financial income and expenses	7,8	-36.7	-1.9	-25.6	-1.3	42.2	843.6	-5.5	-472.6
Result before extraordinary items, appropriations and taxes		27.3	1.4	-0.7	0.0	24.3	484.8	-25.8	-2,204.5
Extraordinary income and expenses									
Extraordinary income	9	53.7		65.7		48.4		30.2	
Extraordinary expenses	9	-17.9		-28.3		-82.9		-4.8	
Group transfers						52.3		27.1	
		35.8		37.4		17.8		52.5	
Result before appropriations and taxes		63.1	3.3	36.7	1.9	42.1	840.9	26.7	2,276.5
Change in accelerated depreciation	3,16,17					0.1		0.0	
Change in voluntary reserves	27							9.9	
Direct taxes									
Current fiscal year		-36.1		-24.2		-26.7		-9.4	
Previous fiscal years		-1.7		0.7		0.0		0.6	
Change in deferred tax liability		29.3		1.7					
		-8.5		-21.8		-26.7		-8.8	
Result before minority interests		54.6	2.8	14.9	0.8	15.4	308.6	27.8	2,371.2
Minority interests		-3.6		-11.2					
Result for the period		51.0		3.7					

CASH FLOW STATEMENTS

FIM Millions	Group		Hackman Oyj Abp	
	1998	1997	1998	1997
Income from operations				
Operating result after depreciation	64.0	24.9	-18.0	-20.3
Depreciation	96.3	93.3	2.5	1.8
Financial income and expenses	-36.7	-25.6	42.2	-5.5
Extraordinary items	35.8	37.4	17.8	52.5
Taxes	-8.5	-21.8	-26.7	-8.8
Income from operations	150.9	108.2	17.9	19.7
Increase (-)/decrease (+) in inventories	40.6	57.2	0.0	0.0
Increase (-)/decrease (+) in current receivables	26.4	74.2	-62.2	188.9
Increase (+)/decrease (-) in short-term interest bearing liabilities	-29.8	-28.0	1.1	-44.6
Change in net working capital	37.1	103.4	-61.1	144.3
Cash flow from operations	188.0	211.6	-43.3	164.0
Investments in fixed assets	-190.8	-79.0	-123.4	-1.7
Income from sale of fixed assets	106.0	60.7	81.5	3.2
Cash flow before financing	103.2	193.3	-85.2	165.5
Increase (-)/decrease (+) in non-current receivables	6.0	19.2	29.1	-16.3
Increase (+)/decrease (-) in long-term debt	-106.8	-102.9	-37.0	-63.7
Increase (+)/decrease (-) in short-term debt	29.9	-113.9	100.1	-109.1
Dividend payments	-11.0	-11.0	-11.0	-11.0
Increase (+)/decrease (-) in minority interest	-42.5	-11.6		
Cash flow from financing	-124.3	-220.2	81.2	-200.2
Cash flow after financing	-21.1	-26.9	-4.0	-34.7
Adjustments	3.6	-8.8		
Increase (-)/ decrease (-) in liquid assets	-17.5	-35.7	-4.0	-34.7

BALANCE SHEETS

FIM Millions	Note	Group		Hackman Oyj Abp	
		1998	1997	1998	1997
ASSETS					
Fixed and other long-lived assets					
Intangible assets					
Research and development expenses	10	19.6	15.9		
Intangible rights	11	8.9	18.9		
Goodwill	12	11.7	7.9		
Group goodwill	13	100.5	41.2		
Other long-lived assets	14	24.1	26.7	1.1	1.7
Advance payments		0.2	0.3		
		165.0	110.9	1.1	1.7
Tangible assets					
Forest, land and water	15,19	89.8	104.1	85.7	99.0
Revaluations	15	128.9	156.1	128.7	154.2
Buildings	16,19	109.1	120.7	14.0	14.8
Revaluations	16	0.3	12.4		
Machinery and equipment	17	171.9	213.9	1.9	1.6
Other tangible assets	18	4.1	4.6	1.5	1.5
Advances and fixed assets under construction		15.7	22.5		
		519.8	634.1	231.8	271.1
Long-term financial assets					
Shares and holdings	19,36	21.5	8.9	11.2	5.1
Shares in associated companies	19,35	1.4	1.5		
Shares in subsidiaries	19,20,34			380.1	344.0
Loan receivables	21,24	8.0	14.0	20.6	49.7
Other investments		0.9	0.9		
		31.8	25.3	411.9	398.8
Total fixed and other long-lived assets		716.6	770.4	644.8	671.6
Inventories and financial assets					
Inventories					
Raw materials and supplies		105.2	102.7		
Work in progress		73.1	74.7		
Finished goods		196.7	239.1		
Other inventories		19.1	18.1		
Advance payments		0.1	0.1		
		394.2	434.7		
Receivables					
Trade receivables	21,23	266.8	278.1	2.8	2.5
Loan receivables	21,23,24	2.9	8.9	243.9	216.9
Prepaid expenses and accrued income	23	35.5	26.7	27.2	2.7
Other receivables	21,23	15.3	33.2	212.4	202.1
		320.5	346.9	486.3	424.1
Current financial assets					
Other securities and investments	22	14.8	37.2	0.0	6.0
Cash and bank deposits		46.8	41.9	6.7	4.6
Total inventories and financial assets		776.3	860.7	493.1	434.8
		1 492.9	1 631.0	1 137.9	1 106.4

FIM Millions	Note	Group		Hackman Oyj Abp	
		1998	1997	1998	1997
Liabilities and shareholders' equity					
Shareholders' equity					
Restricted equity 25					
Share capital		88.0	88.5	88.0	88.5
Contingency fund		164.2	163.4	132.6	132.2
Revaluation fund		77.1	102.5	76.7	102.1
		329.3	354.4	297.3	322.7
Unrestricted equity 26					
Operational fund				118.5	130.2
Retained earnings		238.0	252.9	258.3	241.5
Net result for the year		51.0	3.7	15.4	27.8
		289.1	256.6	392.2	399.4
Total shareholders' equity		618.4	610.9	689.5	722.1
Minority interests		15.9	54.8		
Reserves					
Accumulated depreciation in excess of plan	16,17			4.8	4.9
Mandatory reserves	28	25.5	12.8	2.2	0.0
Liabilities					
Long-term liabilities					
Loans from financial institutions	29	105.1	167.5	75.0	109.4
Pension loans	29	180.3	209.5	54.5	59.2
Deferred tax liability		15.0	45.8		
Other long-term liabilities	29,30	4.0	1.1	0.0	0.1
		304.4	423.9	129.5	168.7
Current liabilities					
Loans from financial institutions		183.1	127.6	133.9	87.4
Pension loans		13.2	12.8	5.3	4.5
Advance payments		6.1	20.1		
Trade payables	30	125.2	124.1	3.0	1.6
Accrued expenses and prepaid income	30	139.8	142.4	7.0	7.3
Other current liabilities	30	61.3	101.6	162.6	110.0
		528.7	528.6	311.8	210.6
Total liabilities		833.1	952.4	441.4	379.3
		1 492.9	1 631.0	1 137.9	1 106.4

The consolidated financial statements have been prepared according to the Finnish Accounting Standards

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.

All intra 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 date of acquisition. When eliminating shareholders' equity of subsidiaries, this shareholders' equity is also considered to include the share of untaxed reserves which is not regarded as a deferred tax liability. The difference between the acquisition price of the shares and the total value of the subsidiary is recorded either under fixed assets or subsidiary goodwill. Goodwill in subsidiaries is depreciated on a straight line basis over 5- 10 years.

The income statements of companies outside Finland have been translated into Finnish marks using an annual average exchange rate based on month-end exchange rates, while the balance sheets have been translated employing the exchange rate quoted on the balance sheet date. The resulting translation difference has been entered under unrestricted equity. The conversion discrepancy pertaining to subsidiary equity arising from the difference between the year end exchange rate and the rate of exchange at the date of acquisition is eliminated by carrying the difference directly under the Group's unrestricted equity.

FOREIGN CURRENCY ITEMS

Receivables and liabilities denominated in foreign currencies have been valued using the exchange rate quoted on the balance sheet date. Receivables and liabilities denominated in euro-participating currencies have been valued using the irrevocable conversion rates fixed by the EU Commission. Exchange rate differences have been entered in the income statement under financial exchange rate differences. Unhedged transactions denominated in foreign currency have been recorded at the rates prevailing on the transaction date and

hedged transactions have been recorded using the hedged rate.

Hackman Group hedges its exposure in foreign currencies with derivatives as forward agreements and currency options. The interest element relating to derivatives is accrued as interest income or expense over the period to maturity and the exchange rate differences are recorded under financial expenses at the exchange rate quoted on the balance sheet date and recorded in the income statement, except for foreign exchange gains or losses on derivatives that hedge future cash flow, which are entered in the income statement once the underlying income or expense occurs. Option premiums are treated as advances until the options mature or become void. The difference between the paid or received premium and the closing price of the option on the balance sheet date is entered in the income statement.

Hackman Group also hedges the equity of foreign subsidiaries in order to minimize the effects of translation differences. In the consolidated statements exchange differences arising from equity hedging have been entered under consolidated shareholders' equity against translation differences resulting from translating the foreign subsidiaries' equity.

PENSION LIABILITIES

Persons currently employed in Finland are insured through pension insurance companies. This year, non-current pension liabilities prior to the current pension legislation have been entered in the income statement as extraordinary costs and in the balance sheet in mandatory reserves. 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.

NET SALES

Net sales are calculated as gross sales revenue less indirect sales taxes, delivery costs of sold products, credit losses and other sales adjustment items. Revenue is recognized at the date of delivery.

RESEARCH AND DEVELOPMENT

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

DEPRECIATION AND VALUATION

OF FIXED ASSETS

Fixed assets are capitalized using their original acquisition price. Depreciation according to plan is calculated on a straight line basis using 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

Land and water areas are not depreciated.

In reviewing the figures in the notes to the financial statements 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 1997 and the beginning of 1998 do not precisely match.

LEASING

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

REVALUATION

Revaluations of land areas prior to 1974 are included in the book value for these assets, while revaluations from 1974 are presented as a separate item in the balance sheet under tangible assets. The counter items have been recorded in the contingency fund or the revaluation fund within restricted equity. At the date of sale the revaluation of the assets has 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 sale price, whichever is lowest, using the FIFO principle. The inventories of all subsidiaries include both direct and indirect costs of items procured for production.

EXTRAORDINARY ITEMS

Reported extraordinary income and expenses are the result of divestments and other important changes in the structure which are not part of the ordinary business operations.

APPROPRIATIONS

Appropriations comprise voluntary reserves and the depreciation difference. In the consolidated financial statements, the accumulated appropriations are divided between the profit for the fiscal year and equity as well as the change in deferred taxes and the deferred tax liability. The deferred 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		Hackman Oyj Abp	
		1998	1997	1998	1997
1. Net sales	Net sales by division				
	Designor	739.0	745.8	-	-
	Metos	570.0	470.1	-	-
	Stainless	374.5	386.1	-	-
	TTT	121.2	120.4	-	-
	Invest and others	128.1	229.0	5.0	1.2
	Internal sales	-14.4	-41.5	-	-
	Total	1 918.4	1 909.9	5.0	1.2
	Net sales by country				
	Finland	969.0	1 023.1	5.0	1.2
	Sweden	509.9	553.5	-	-
	Norway	187.3	167.9	-	-
	Denmark	59.8	66.0	-	-
	The Netherlands	31.1	25.7	-	-
	France	247.4	217.4	-	-
	Germany	24.2	34.6	-	-
	Austria	1.3	4.3	-	-
	Italy	74.1	-	-	-
	Estonia	19.2	15.1	-	-
	Poland	15.9	15.9	-	-
	Hungary	11.3	7.0	-	-
	Latvia	1.2	0.3	-	-
	USA	53.4	47.7	-	-
	Intra-Group	-286.9	-268.6	-	-
	Total	1 918.4	1 909.9	5.0	1.2
		1998	%	1997	%
	Net sales by market area				
	Nordic Countries	1 308.2	68.2	1 427.8	74.8
	Other Europe	458.4	23.9	355.7	18.6
	North America	65.9	3.4	52.3	2.7
	Other	85.9	4.5	74.2	3.9
	Total	1 918.4	100.0	1 909.9	100.0
		Group		Hackman Oyj Abp	
		1998	1997	1998	1997
2. Personnel expenses	Salaries and benefits	464.6	444.6	9.0	9.8
	Pension expenses	72.0	79.5	2.9	2.5
	Other personnel expenses	116.9	117.8	2.1	1.8
	Total	653.5	641.9	14.0	14.1
	Compensation to the board and CEO	11.4	10.6	2.2	1.7
	Total salaries and benefits	459.9	443.4	8.4	9.4

		Group		Hackman Oyj Abp	
		1998	1997	1998	1997
3. Depreciation	Depreciation according to plan				
	Research and development	4.3	2.0	-	-
	Intangible rights	2.6	2.1	-	-
	Goodwill	1.5	1.7	-	-
	Other long-lived assets	7.4	7.8	1.1	0.3
	Buildings	7.5	7.5	0.8	0.8
	Machinery and equipment	50.4	53.4	0.6	0.5
	Other tangible assets	2.1	1.4	-	0.2
	Total	75.9	76.0	2.5	1.8
	Group Goodwill	20.4	17.2	-	-
	Total	20.4	17.2	-	-
	Change in accumulated depreciation in excess of plan				
	Buildings	-	-	0.1	-0.1
	Machinery and equipment	-	-	-	0.0
	Total	-	-	0.1	-0.1
	Depreciation by function				
	Cost of goods sold	52.6	54.1	-	0.2
	Sales and marketing	5.4	4.4	-	-
	Administration	11.4	12.1	2.5	1.6
	Other operating expenses (R&D)	6.5	5.4	-	-
	Total	75.9	76.0	2.5	1.8
4. Other operating income	Rental income	4.1	5.0	2.8	3.6
	Gains on sale of fixed assets	4.9	6.0	3.2	5.2
	Compensation for damages	3.4	0.0	0.1	-
	Other	7.6	0.9	0.3	0.1
	Total	20.0	12.0	6.4	8.9
5. Other operating expenses	Research and development	57.6	47.7	-	-
	Losses on sale of fixed assets	0.2	0.4	-	-
	Compensation for damages	0.1	0.7	-	0.7
	Other	10.4	5.5	0.1	0.1
	Total	68.3	54.3	0.1	0.8
6. Operating result by division	Designor	51.0	35.8	-	-
	Metos	45.9	31.3	-	-
	Stainless	-4.0	-5.2	-	-
	TTT	4.8	7.8	-	-
	Invest and others	-25.0	-34.9	-18.0	-20.3
	Internal eliminations	-8.7	-9.8	-	-
	Total	64.0	24.9	-18.0	-20.3

		Group		Hackman Oyj Abp	
		1998	1997	1998	1997
7. Intra-Group financing	Financial income from group companies				
	Dividend Income			25.0	-
	Interest income from short-term investments			17.9	13.8
	Other financial income			3.3	2.7
	Total			46.2	16.5
	Financial expenses from group companies				
	Interest expenses			3.7	3.0
	Total			3.7	3.0
8. Financial income and expenses	Dividend income from group companies	-	-	25.0	-
	Other dividend income	0.7	0.8	0.5	0.4
	Interest income from long-term investments	0.4	0.8	-	0.4
	Interest income from short-term investments	3.3	5.7	19.3	15.1
	Other financial income	2.7	4.6	10.0	0.6
	Exchange rate gains/losses	-5.0	2.8	12.1	-
	Interest expenses	-35.7	-36.8	-23.3	-19.9
	Other financial expenses	-3.1	-3.5	-1.4	-2.1
	Net financial items	-36.7	-25.6	42.2	-5.5
9. Extraordinary items	Extraordinary income				
	Gains on sale	5.5	35.5	-	-
	Gains on sale of forest and land	48.2	30.2	48.2	30.2
	Other income	-	-	0.2	-
	Total	53.7	65.7	48.4	30.2
	Extraordinary expenses				
	Restructuring expenses	8.0	12.8	80.7	0.8
	Pension liabilities	4.8	-	2.2	-
	Other expenses	5.1	15.5	-	4.0
	Total	17.9	28.3	82.9	4.8
	Gains on the sale of forest and land include released revaluations.				

Notes to the balance sheet, FIM million		Group		Hackman Oyj Abp	
		1998	1997	1998	1997
10. R&D investments	Acquisition value January 1	18.9	20.2	-	-
	Investments Jan. 1- Dec. 31	11.9	4.7	-	-
	Fixed asset disposals Jan. 1- Dec. 31	-3.7	-6.0	-	-
	Acquisition value December 31	27.1	18.9	-	-
	Depreciation according to plan Jan. 1	-3.2	-1.0	-	-
	Acc. depr. on disposed assets Jan. 1-Dec. 31	-	-	-	-
	Depreciation according to plan Jan. 1-Dec. 31	-4.3	-2.0	-	-
	Book value December 31	19.6	15.9	-	-
11. Intangible assets	Acquisition value January 1	25.5	31.3	-	0.4
	Investments Jan. 1- Dec. 31	2.5	4.1	-	-
	Sold rights Jan. 1- Dec. 31	-6.7	-10.0	-	-0.4
	Acquisition value December 31	21.3	25.4	-	-
	Depreciation according to plan Jan. 1	-10.2	-7.4	-	-
	Acc. depr. on disposed assets Jan. 1-Dec. 31	0.4	3.0	-	-
	Depreciation according to plan Jan. 1-Dec. 31	-2.6	-2.1	-	-
	Book value December 31	8.9	18.9	-	-
12. Goodwill	Acquisition value January 1	24.6	13.6	-	-
	Investments Jan. 1- Dec. 31	6.0	0.2	-	-
	Sold rights Jan. 1- Dec. 31	-14.2	-0.8	-	-
	Acquisition value December 31	16.4	13.0	-	-
	Depreciation according to plan Jan. 1	-13.7	-3.4	-	-
	Acc. depr. on disposed assets Jan. 1-Dec. 31	10.5	-	-	-
	Depreciation according to plan Jan. 1-Dec. 31	-1.5	-1.7	-	-
	Book value December 31	11.7	7.9	-	-
13. Group goodwill	Acquisition value January 1	144.0	180.8	-	-
	Investments Jan. 1- Dec. 31	84.0	8.0	-	-
	Sold rights Jan. 1- Dec. 31	-24.5	-41.7	-	-
	Acquisition Value December 31	203.5	147.1	-	-
	Depreciation according to plan Jan. 1	-104.6	-116.3	-	-
	Acc. depr. on disposed assets Jan. 1-Dec. 31	22.0	27.6	-	-
	Depreciation according to plan Jan. 1-Dec. 31	-20.4	-17.2	-	-
	Book value December 31	100.5	41.2	-	-
14. Other longlived assets	Acquisition value January 1	60.9	66.8	2.9	2.7
	Investments Jan. 1- Dec. 31	6.1	6.4	0.6	0.2
	Sold rights Jan. 1- Dec. 31	-1.1	-8.4	-	-
	Acquisition value December 31	65.9	64.8	3.5	2.9
	Depreciation according to plan Jan. 1	-34.4	-37.0	-1.3	-1.0
	Acc. depr. on disposed assets Jan. 1-Dec. 31	-	6.7	-	-
	Depreciation according to plan Jan. 1-Dec. 31	-7.4	-7.8	-1.1	-0.3
	Book value December 31	24.1	26.7	1.1	1.7

		Group		Hackman Oyj Abp		
		1998	1997	1998	1997	
15. Forest, land & water	Acquisition value January 1	103.5	108.2	99.1	104.0	
	Investments Jan. 1 - Dec. 31	0.6	1.0	0.2	0.2	
	Fixed asset disposals Jan. 1-Dec. 31	-14.3	-5.1	-13.6	-5.1	
	Acquisition value December 31	89.8	104.1	85.7	99.1	
	Revaluation January 1	156.0	175.9	154.1	174.1	
	Increase Jan. 1 - Dec. 31	-	-	-	-	
	Decrease Jan. 1 - Dec. 31	-27.1	-19.9	-25.4	-20.0	
	Revaluation December 31	128.9	156.0	128.7	154.1	
	16. Buildings	Acquisition value January 1	179.0	178.6	22.4	22.4
		Investments Jan. 1- Dec. 31	16.7	4.7	-	-
Fixed asset disposals Jan. 1- Dec. 31		-38.3	-7.3	-	-	
Acquisition value December 31		157.4	176.0	22.4	22.4	
Depreciation according to plan Jan. 1		-54.7	-55.6	-7.6	-6.8	
Acc. depr. on disposed assets Jan. 1-Dec. 31		13.9	7.2	-	-	
Depreciation according to plan Jan. 1-Dec. 31		-7.5	-6.9	-0.8	-0.8	
Book value December 31		109.1	120.7	14.0	14.8	
Accumulated depreciation in excess of plan Jan. 1		-	-	4.4	4.5	
Increase Jan. 1 - Dec. 31		-	-	-	-	
Decrease Jan. 1 - Dec. 31		-	-	-0.1	-0.1	
Accumulated depreciation in excess of plan Dec. 31		-	-	4.3	4.4	
Revaluation January 1		12.2	12.7	-	-	
Increase Jan. 1 - Dec. 31		-	-	-	-	
Decrease Jan. 1 - Dec. 31		-11.9	-0.3	-	-	
Revaluation December 31		0.3	12.4	-	-	
17. Machinery and equipment	Acquisition value January 1	725.0	780.4	3.5	3.4	
	Investments Jan. 1- Dec. 31	52.8	42.6	1.0	0.5	
	Fixed asset disposals Jan. 1- Dec. 31	-166.9	-73.3	-0.3	-0.5	
	Acquisition value December 31	610.9	749.7	4.2	3.5	
	Depreciation according to plan Jan. 1	-517.1	-534.7	-1.8	-1.6	
	Acc. depr. on disposed assets Jan. 1-Dec. 31	128.5	52.3	0.1	0.3	
	Depreciation according to plan Jan. 1-Dec. 31	-50.4	-53.4	-0.6	-0.5	
	Book value December 31	171.9	213.9	1.9	1.7	
	Accumulated depreciation in excess of plan Jan. 1	-	-	0.4	0.4	
	Increase Jan. 1 - Dec. 31	-	-	-	-	
	Decrease Jan. 1 - Dec. 31	-	-	-	-	
	Accumulated depreciation in excess of plan Dec. 31	-	-	0.4	0.4	
	Share of machines and equipment in book value December 31.	120.3	135.6	-	-	

		Group		Hackman Oyj Abp	
		1998	1997	1998	1997
18. Other tangible assets	Acquisition value January 1	12.8	10.0	2.0	1.8
	Investments Jan. 1- Dec. 31	1.1	2.7	0.3	0.4
	Fixed asset disposals Jan. 1- Dec. 31	-1.7	-0.4	-0.6	-0.2
	Acquisition value December 31	12.2	12.3	1.7	2.0
	Depreciation according to plan Jan. 1	-7.2	-6.3	-0.5	-0.4
	Acc. depr. on disposed assets Jan. 1-Dec. 31	1.2	-	0.4	0.1
	Depreciation according to plan Jan. 1-Dec. 31	-2.1	-1.4	-	-0.2
	Book value December 31	4.1	4.6	1.6	1.5
19. Fixed asset tax values	Land	87.5	102.8	87.2	102.2
	Buildings	64.1	71.5	11.4	11.7
	Shares and holdings	8.7	8.5	6.8	7.1
	Subsidiary shares	-	-	205.2	139.8
	The fixed asset valuation by the local tax authorities relates to the values reported by the Parent Company and the subsidiaries in Finland				
20. Long-term financial assets, Group	Group companies				
	Shares			380.1	344.0
	Loan receivables			18.6	49.0
	Total			398.7	393.0
21. Receivables due after one year or later	Trade receivables	-	0.4	-	-
	Loan receivables	8.0	14.0	20.6	49.7
	Other receivables	0.8	14.6	-	-
	Total	8.8	29.0	20.6	49.7
22. Market value of current financial assets	Investments	14.8	39.1	-	6.0
	Total market value	14.8	39.1	-	6.0
	Corresponding book value	14.8	37.2	-	6.0
	Difference	0.0	1.9	-	0.0
23. Receivables from group and associated companies	Trade receivables/Group companies			1.9	1.9
	Deferred income/Group companies			26.4	1.3
	Loan receivables/Group companies			243.9	211.1
	Other receivables/Group companies			207.7	196.3
	Total			479.9	410.6
24. 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	1.7	0.3	1.7	0.3
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		Hackman Oyj Abp	
		1998	1997	1998	1997
25. Restricted equity	Share capital Jan. 1	88.5	88.5	88.5	88.5
	Reduction of share capital	-0.5	-	-0.5	-
	Share capital Dec. 31	88.0	88.5	88.0	88.5
	Contingency fund Jan. 1	163.3	162.6	132.2	132.2
	Transfers from unrestricted equity	0.4	0.7	-	-
	Reduction of share capital	0.5	-	0.5	-
	Contingency fund Dec. 31	164.2	163.3	132.7	132.2
	Revaluation fund Dec. 31	102.6	122.5	102.1	122.0
	Increase Jan. 1 - Dec. 31	-	-	-	-
	Released revaluations	-25.5	-19.9	-25.5	-19.9
	Revaluation fund Dec 31	77.1	102.6	76.6	102.1
Restricted equity Dec. 31	329.3	354.4	297.3	322.8	
26. Unrestricted equity	Opening balance Jan. 1	256.6	277.6	-	-
	Parent company operating fund Jan. 1	-	-	130.1	134.4
	Released revaluations	-11.6	-4.3	-11.6	-4.3
	Parent company operating fund Dec. 31	-	-	118.5	130.1
	Parent company retained earnings Jan. 1	-	-	269.3	252.5
	Dividend payment	-11.0	-11.0	-11.0	-11.0
	Transfers to restricted equity	-0.4	-0.7	-	-
	Conversion effects	4.5	-8.7	-	-
	Parent company retained earnings Dec. 31	-	-	258.3	241.5
	Net profit for the year	51.0	3.7	15.4	27.8
	Unrestricted equity Dec. 31	289.1	256.6	392.2	399.4
Distributable unrestricted equity	271.6	166.7			
27. Voluntary reserves	Other reserves				
	Balance sheet value Jan. 1	-	-	-	9.9
	Increase Jan. 1 - Dec. 31	-	-	-	-
	Decrease Jan. 1 - Dec. 31	-	-	-	-9.9
	Balance sheet value Dec. 31	-	-	-	-
28. Mandatory reserves	Warranty reserve	3.1	1.5	-	-
	Restructuring	8.0	9.0	-	-
	Pension liabilities	4.8	-	2.2	-
	Other	9.6	2.3	-	-
	Total	25.5	12.8	2.2	-
29. Liabilities maturing within five years or later	From financial institutions	13.8	16.9	-	-
	Pension loans	141.6	163.1	36.2	44.3
	Other long-term debts	15.3	39.6	-	-
	Total	170.7	219.7	36.2	44.3
30. Liabilities to group and associated companies	Other long-term debts/Group companies			-	-
	Short-term debts/Group companies			1.0	0.8
	Deferred expenses/Group companies			0.3	0.5
	Other short-term debts/Group companies			160.1	107.1
	Other short-term debts/associated companies			-	-
Total			161.4	108.4	

		Group		Hackman Oyj Abp	
		1998	1997	1998	1997
31. Contingent liabilities and mortgages	Mortgages				
	Collateral for own liabilities	198.9	198.0	117.6	113.2
	Collateral for group companies	-	-	47.4	51.8
	Mortgages total	198.9	198.0	165.0	165.0
	Mortgages on company assets				
	Collateral for own liabilities	59.4	91.0	-	-
	Other pledges given				
	Collateral for own liabilities	13.0	17.0	-	-
	Guarantees				
	For Group companies	-	-	-	203.6
	For others	3.0	4.0	3.0	3.8
Guarantees total	3.0	4.0	3.0	207.4	
Other liabilities	16.6	16.4	-	-	
32. Derivative financial instruments	Forward foreign exchange contracts	319.5	368.6	484.3	594.3
		319.5	368.6	484.3	594.3
33. Personnel	Average				
	Designor	1 538	1 483	-	-
	Metos	682	529	-	-
	Stainless	511	544	-	-
	TTT	257	257	-	-
	Invest and others	237	304	22	21
	Total	3 225	3 117	22	21
	Dec. 31, 1998				
	Designor	1 497	1 435	-	-
	Metos	756	536	-	-
	Stainless	454	549	-	-
	TTT	259	255	-	-
	Invest and others	37	309	23	23
	Total	3 003	3 084	23	23
	Personnel by country Dec. 31				
	Finland	1 683	1 654	23	23
	Sweden	496	799	-	-
Norway	197	147	-	-	
Denmark	20	26	-	-	
The Netherlands	12	11	-	-	
France	296	267	-	-	
Italy	101	-	-	-	
Germany	7	20	-	-	
Austria	-	2	-	-	
Estonia	24	35	-	-	
Latvia	5	-	-	-	
Poland	2	-	-	-	
Hungary	99	60	-	-	
Russia	-	3	-	-	
USA	61	60	-	-	
Total	3 003	3 084	23	23	

34. Group Companies 31 Dec., 1998	Group					Face Value Total '000	Total Book Value		Profit Last Period MFIM	
	Share Holding %	Voting Share %	Share of Equity MFIM	No. of Shares	Holding in Group Comp. %		Parent Comp. MFIM	Group Comp. MFIM		
Hackman Designor Oy Ab	100	100	83.6	1 900	100	FIM	19 000	133.5	-	-1.2
Designor AG	100	100	0.0	100	100	CHF	50	-	0.1	-
Hackman LLC	98	98	-0.4	26 912	98	HUF	27 412	-	1.3	-0.5
Fetefem LLC	98	98	-0.4	5 421	100	HUF	54 210	-	0.3	-0.2
Hackman Alu Oy Ab	100	100	4.0	6 087	100	FIM	3 044	-	0.0	0.0
Hackman Cutlery Factory LLC	100	100	0.4	10 761	100	HUF	107 606	-	3.3	0.0
Hackman Polska Z.O.O.	100	100	-0.9	50	100	PLZ	50	-	0.1	-0.1
Zao Hackman Havi St. Petersburg	100	100	0.0	5 500	100	RUR	55 000	-	0.1	0.0
Hackman Europe B.V.	100	100	31.6	360 000	100	NLG	36 000	78.0	-	-51.5
Hackman A/S	100	100	2.9	1	100	DKK	2 500	-	5.2	-1.8
Hackman Designor B.V.	100	100	-4.0	125	100	NLG	125	-	1.6	-1.1
Hackman Eesti AS	100	100	0.9	10	100	EEK	1 000	-	0.4	0.2
Hackman Fürst AG	100	100	3.1	50	100	CHF	50	-	2.4	-0.1
Hackman Fürst GmbH	100	100	-4.9	50	100	DEM	4 550	-	15.9 ¹⁾	-4.6
Hackman Fürst GmbH	100	100	-2.0	45	100	ATS	450	-	0.3	-1.2
Hackman TTT GmbH	100	100	0.9	3 000	100	DEM	300	-	0.7	-0.1
Hackman Wedholms AB	100	100	18.2	280 000	100	SEK	28 000	-	103.4 ¹⁾	0.3
Hackman Rörstrand AB	100	100	13.0	200 000	100	SEK	20 000	-	12.7	-2.5
Nilsjohan AB	100	100	0.1	100	100	SEK	100	-	0.1	-
Hackman Norge A/S	100	100	13.7	20 050	100	NOK	20 050	-	14.5	0.6
Hackman Designor A/S	100	100	30.4	16 981	100	NOK	8 490	-	12.6	0.9
Hackman TTT Oy Ab	100	100	19.8	24	100	FIM	12 000	-	35.1	0.0
Hackman USA Corporation	100	100	14.4	100	100	USD	2 000	-	16.2	0.3
Hackman-MKT Inc.	100	100	0.0	1 000	100	USD	50	-	0.3	-
Hackman Tabletop Inc.	100	100	0.9	150 000	100	USD	150	-	2.5	-1.7
The Peerless Saw Company	100	100	9.8	500	100	USD	50	-	11.7	0.4
Wedholms S.A.	100	100	0.1	250	100	FRF	250	0.0	0.1	-
Prominox S.A.	100	100	56.1	30 000	100	FRF	3 000	0.0	62.8	4.5
Eurotanks Sp.z.o.o.	51	51	2.5	102	51	PLZ	720	-	0.9	0.4
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	100	100	56.5	100 000	100	FIM	10 000	89.4	-	12.6
Hackman Latvia SIA	100	100	0.0	10	100	LVL	2	-	0.0	-
Hackman Metos AB	100	100	1.4	1 700	100	SEK	1 700	-	7.3	0.1
Tillrooths Storköksservice AB	100	100	1.5	1	100	SEK	0	-	2.1	0.4
Hackman Metos A/S	100	100	11.1	2 040	100	NOK	2 040	-	11.5	-0.6
Hackman Metos SARL	100	100	0.0	1	100	FRF	50	-	0.0	0.0
Hackman Metos Eesti AS	100	100	0.9	400	100	EEK	400	-	0.1	0.2
Dihl srl	100	100	11.0	1	100	ITL	0	-	5.5	5.8
Kromo srl	100	100	0.1	1	100	ITL	0	-	0.1	0.0
Pakkaskone Oy	100	100	0.9	2 900	100	FIM	145	-	4.7	-0.4
PW-System AB	100	100	1.8	1	100	SEK	740	-	2.5	2.0
Wexiödisk Förvaltnings AB	85	85	32.2	1 870	85	SEK	220	-	73.1	7.0
Wexiödisk AB	85	85	42.1	55 000	85	SEK	5 500	-	12.8	12.3
WD Metos Oy	85	85	1.9	1 000	85	FIM	1 000	-	3.2	-0.2
Hackman-MKT Oy	100	100	29.3	65 000	100	FIM	26 000	26.8	-	-1.4
Hackman Washtec A/S	100	100	-2.0	275	100	EEK	413	-	-	-2.3
Hackman Pinnoitteet Oy	100	100	2.2	220	100	FIM	2 200	2.2	-	0.0
Hackman Prosessi Oy Ab	100	100	4.8	50 000	100	FIM	5 000	5.0	-	-0.1
Hackman Suurkeittiöt Oy Ab	100	100	5.1	400 000	100	FIM	4 000	11.9	-	-1.1
Hackman Finance Oy Ab	100	100	4.0	3 500	100	FIM	3 500	-	2.1	0.0
Hadwaco Ltd Oy	100	100	19.6	2 000	91	FIM	20 000	16.6	-	24.4
Hadwaco US Inc.	100	100	-0.9	1 000	100	USD	1	-	0.0	0.4
Kiint. Oy Sorsakosken Teollisuustalot	100	100	6.8	7 000	100	FIM	7 000	6.0	1.0	0.0
Rondex Oy Ltd	100	100	0.7	500	100	FIM	500	0.5	-	0.0
Totalt								380.1	430.8	

1) A reservation totaling MFIM 79,7 is done due to a decrease in share values.

35. Associated Companies 31 December, 1998	Group				Holding in Group Comp. %	Face Value Total '000	Total Book Value		Profit Last Period MFIM	Date of Acc. Closing/ Length of period
	Share Holding %	Voting Share %	Share of Equity MFIM	No. of Shares			Parent Comp. MFIM	Group Comp. MFIM		
Rörstrands Kulturforum AB	36	36	1.1	55 000	36	SEK 5 500	-	1.4	-0.4	31.12.98/12
Total							-	1.4		

36. Shares and Holdings 31 Dec., 1998

Art ja Design City Helsinki Oy Ab				1	-	2	0.1	-		
Asunto Oy Elvalanranta				1 519	-	1 519	-	1.5		
Asunto Oy Pankkikallio				4 205	52.6	421	0.9 ¹⁾	-		
Asunto Oy Sorsakosken Pajaharju				13 598	27.4	136	0.2 ¹⁾	-		
Helsingin Puhelin Oy				89	-	-	0.0	0.1		
Helsinki Halli Oy				13	-	130	1.3	-		
Kiinteistö Oy Joutsenon Annukka				38	50.0	380	0.4 ¹⁾	-		
Leppävirran matkailukeskus Oy				150	33.3	150	0.2 ¹⁾	-		
Oy Kvartett Invest Ab				15 000	15.0	1 500	1.5	-		
Plastumgruppen AB				33 333	20.0	-	6.2 ¹⁾	-		
Suomen Osakekeskusrekisteri Osuuskunta				2	-	-	0.0	-		
Sampo Vakuutusosakeyhtiö				102	-	510	0.1	-		
US Filter				69 333	-	-	-	6.6		
Others				-	-	-	0.3	2.1		
Total							11.2	10.3		

1) Excluded from Group financial statements due to minor impact.

GROUP KEY RATIOS AND FIGURES

		1994	1995	1996	1997	1998
Net sales	FIM million	1 873.3	2 061.5	1 992.7	1 909.9	1 918.4
Change	%	-2.0	10.0	6.4	-4.2	0.4
Exports and foreign sales	FIM million	1 142.1	1 158.1	1 132.5	1 100.6	1 226.2
Share of net sales	%	61.0	56.2	56.8	57.6	63.9
Salaries and benefits	FIM million	577.2	592.3	612.4	628.7	637.2
Share of net sales	%	30.8	28.7	30.7	32.9	33.2
Gross margin	FIM million	533.3	574.3	537.8	482.5	537.4
Share of net sales	%	28.5	27.9	27.0	25.3	28.0
Research and development expenses	FIM million	16.4	39.2	43.2	47.7	57.6
Share of net sales	%	0.9	1.9	2.2	2.5	3.0
Operating result before depreciation	FIM million	137.7	172.3	134.4	118.2	160.3
Share of net sales	%	7.3	8.4	6.7	6.2	8.4
Depreciation according to plan	FIM million	93.9	88.3	97.4	93.3	96.3
Decrease in group reserve	FIM million	0.9	1.5	0.0	0.0	0.0
Operating result	FIM million	44.7	85.4	37.0	24.9	64.0
Share of net sales	%	2.4	4.1	1.9	1.3	3.3
Net financial expenses	FIM million	57.3	53.8	44.2	25.6	36.7
Share of net sales	%	3.1	2.6	2.2	1.3	1.9
Result before extraordinary items	FIM million	-12.6	31.6	-7.2	-0.7	27.3
Share of net sales	%	-0.7	1.5	-0.4	0.0	1.4
Result before appropriations and taxes	FIM million	81.2	184.3	27.4	36.7	63.1
Share of net sales	%	4.3	8.9	1.4	1.9	3.3
Direct taxes operations	FIM million	-1.7	13.2	11.5	16.1	-6.2
Direct taxes extraordinary items	FIM million	27.5	39.2	10.5	5.7	14.6
Minority interests	FIM million	-3.0	10.9	6.5	11.2	3.6
Value added	FIM million	764.1	817.4	797.7	792.8	839.1
Financial result	FIM million	175.9	257.9	113.4	113.9	165.6
Share of net sales	%	9.4	12.5	5.7	6.0	8.6
Gross investments	FIM million	186.4	142.6	101.6	79.0	190.8
Share of net sales	%	10.0	6.9	5.1	4.1	9.9
Dividends paid	1) FIM million	8.8	13.2	11.0	11.0	11.0
Interest bearing financial assets	FIM million	117.5	85.4	117.8	87.9	64.5
Interest free financial assets	FIM million	414.0	479.8	418.0	338.0	317.6
Inventories	FIM million	520.3	508.6	492.0	434.7	394.2
Fixed assets	FIM million	1 072.3	925.1	888.7	770.4	716.6
Interest free liabilities	2) FIM million	581.4	481.0	438.3	404.0	346.3
Interest bearing liabilities	FIM million	787.5	812.7	769.3	548.5	486.8
Share of net sales	%	42.0	39.4	38.6	28.7	25.4
Net working capital	FIM million	397.2	554.9	523.7	414.6	383.4
Share of net sales	%	21.2	26.9	26.3	21.7	20.0
Minority interests	FIM million	32.4	23.9	55.3	54.8	15.9
Shareholders' equity	2) FIM million	714.0	680.5	651.2	610.9	618.4
Balance sheet total	FIM million	2 123.4	1 998.9	1 916.5	1 631.0	1 492.9
Return on net assets	2) %	3.9	6.5	3.2	2.9	5.6
Return on equity	2) %	-1.5	2.5	-2.6	-2.4	5.1
Gearing	2) %	90.3	104.4	92.7	70.5	67.0
Equity ratio	2) %	36.7	35.7	37.2	41.3	42.7
Quick ratio		0.9	0.8	0.8	0.8	0.7
Current ratio		1.5	1.4	1.5	1.6	1.5
Average number of personnel		3 362	3 221	3 248	3 117	3 225
Abroad		1 614	1 402	1 480	1 471	1 521
Total personnel Dec. 31		3 485	3 187	3 204	3 084	3 003
Abroad		1 611	1 418	1 449	1 430	1 319
Net Sales / person	FIM million	0.557	0.640	0.614	0.613	0.595
Value added / person	FIM million	0.227	0.254	0.246	0.254	0.260

1) Proposal of the Board for 1998

2) General untaxed reserves have been divided into retained earnings (59-72%) and deferred tax liability (28-41%) according to the current tax rate of each country.

CALCULATION OF KEY RATIOS

Value added	Operating profit before depreciation + salaries and benefits + rental costs
Financial result	Profit before appropriations and taxes + planned depreciation - decrease in Group reserves - direct taxes from operations
Net working capital	Non-interest bearing current assets + inventories - short-term non-interest bearing liabilities
Return on net assets (RNA)	$\frac{\text{Profit after financial items + interest and other financial expenses} \times 100}{\text{Average (Balance sheet total - non-interest bearing liabilities)}}$
Return on equity (ROE)	$\frac{\text{Profit before extraordinary items - taxes from operations} \times 100}{\text{Average (shareholders' equity + minority interest)}}$
Equity ratio	$\frac{\text{Shareholders' equity + minority interest} \times 100}{\text{Total assets - advances received}}$
Gearing	$\frac{\text{Interest bearing liabilities - cash and bank and other investments} \times 100}{\text{Shareholder's equity + minority interest}}$
Quick ratio	$\frac{\text{Current assets}}{\text{Current liabilities - advances paid}}$
Current ratio	$\frac{\text{Current assets + inventories}}{\text{Current liabilities}}$
Earnings per share (EPS)	$\frac{\text{Profit before extraordinary items - minority interest - taxes from operations}}{\text{Average number of shares}}$
Cash flow per share	$\frac{\text{Profit after financial items + depreciation - taxes from operations}}{\text{Average number of shares}}$
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)	$\frac{\text{Year end share price}}{\text{Earnings per share}}$

SHARE CAPITAL, SHARES AND SHAREHOLDERS

SHARE CAPITAL

The paid-in and registered share capital of Hackman Oyj Abp is FIM 88 000 000. The share capital has been reduced by FIM 450 000 because of the redemption of 22 500 series K shares in 1982. According to the Articles of Association, the minimum share capital shall be FIM 66 150 000 and the maximum FIM 197 550 000. Within these limits the share capital may be adjusted without changing in the Articles of Association.

SHARE AND BOND ISSUES

The Hackman Board of Directors was not empowered to raise the share capital of the company in 1998, or to issue any options or bonds, nor have any such securities on the market during 1998.

WARRANTS FOR THE KEY PERSONNEL OF THE GROUP

The Annual General Meeting on 16 April, 1998, decided to issue warrants amounting to a maximum of FIM 3 000 000 million to the key persons of the Group. The Board of Directors was authorized to carry out the distribution of the

warrant rights. There will be a maximum of 150 000 warrants issued, entitling to subscription of a maximum of 150 000 series A shares in Hackman Oyj Abp. For the warrants Hackman Oyj Abp gives a maximum of 150 000 to certain persons certificated warrants of which 75 000 will be marked with a letter A and 75 000 with a letter B.

In August the Board of Directors decided that 50 persons have the right to subscribe warrants. The share subscription period begins in stages on 1 May, 2001, and 1 May, 2003, assuming that the Hackman Group result after financing items exceeds FIM 75 000 000 million. The share subscription period ends on 31 May, 2005, for all warrant certificates. The share subscription price for the share is FIM 251. From the share subscription price shall be deducted the amount of dividend distributed in cash after 1 May, 1998, but before the date of share subscription. The share subscription price shall nevertheless amount to at least the nominal value of the share.

CHANGES IN THE ARTICLES OF ASSOCIATION

The Annual General Meeting decided to change the company into a public company and accepted the changes

Changes in Share Capital 1988 - 1998

Date and method	Issue Ratio	Issue Price FIM	New Share Volume	Dividend Rights	Increase/decrease in Share Capital, FIM	Share Capital After Changes, FIM	
8 April 1988 Fund Issue	1 K = 1 A 1 A = 1 A		1 650 000	1988	33 000 000	66 450 000	
9. - 20 May 1988 New Issue	Public Placement	120	700 000	1988	14 000 000	80 450 000	
7 May - 15 June 1990 Fund Issue		10 K = 1 A 10 A = 1 A	400 000	1990	8 000 000	88 450 000	
Reduction 1998			-22 500		-450 000	88 000 000	
Share Capital and Shares, 1994 - 1998			1994	1995	1996	1997	1998
Share Capital, FIM million		88.5	88.5	88.5	88.5	88.0	
Share volume, 1 000							
Series A shares		3 582.5	3 582.5	3 582.5	3 582.5	3 582.5	
Series 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.

originated from this into the Articles of Association. Some additional amendments have been made in order to adapt the Articles of Association to the new regulations of the Finnish Companies Act.

SHARES AND VOTING RIGHTS

Hackman Oyj Abp shares have a par value of FIM 20 and are divided into two types: series A shares and series K shares.

There are 3 582 500 Hackman series A shares outstanding, or 81.4 % of the total shares outstanding. Each A series share entitles the holder to one vote at the Annual Shareholders' Meeting. There are 817 500 series K shares outstanding or 18.6 % of total shares outstanding. Each series K share entitles its holder to 20 votes at the Annual Shareholders' Meeting. In addition, the company's Articles of Association include a repurchasing clause which entitles the company and K shareholders right of first refusal in the event that series K shares come into the possession of persons or entities other than descendants of Commercial Councillor Wilhelm Hackman or Consul Carl Edvin Julius Ekström.

According to the Articles of Association no single shareholder may exercise voting rights in excess of 10 % at the Annual Shareholders' Meeting.

The Articles of Association also specify that, in the event of a share issue, either new series K or A shares may be purchased by K shareholders, while A shareholders may only purchase new series A shares.

Both share types entitle the holder to equal dividend rights.

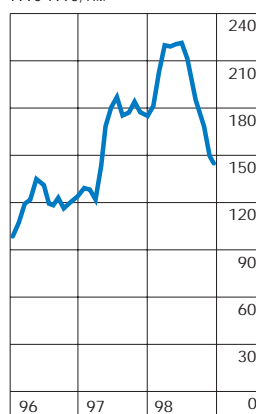
SHARE LISTING

Hackman Oyj Abp's shares were listed on the Helsinki Stock Exchange as of 1 June, 1994. The public quotation of the Hackman's shares began on 19 July, 1988, with the quotation of the company's shares on the Helsinki OTC Exchange, which is controlled by the Finnish Security Brokerage Association.

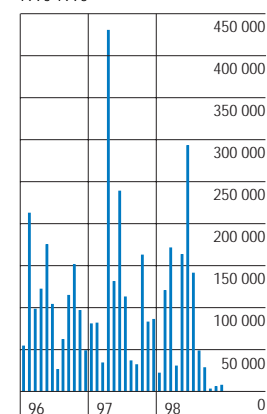
During 1998 a total of 1 028 608 series A shares (1997: 1 498 002) or 28.7 % changed hands with a total value of FIM 221.8 million (242.8 mmk).

Hackman series A shares reached a low of FIM 135 in December of 1998 and high of FIM 242 in April. The share price was FIM 150 at the year end, yielding a total market value of FIM 660 million. The average share price for the year was FIM 215.7.

A-SHARE PRICES
1996-1998, FIM



A-SHARE TRADING VOLUMES
1996-1998



Share Price and Turnover

		1994	1995	1996	1997	1998
Par value	FIM	20.00	20.00	20.00	20.00	20.00
Finnish Tax value	FIM	76.00	62.00	86.00	120.00	98.00
Series A share price	FIM					
average ¹⁾		145.13	92.06	122.37	162.05	215.70
low		105.00	74.00	91.00	112.00	135.00
high		180.00	125.00	152.00	200.00	240.00
year end		108.00	93.00	124.00	180.00	150.00
Year end market value ²⁾	FIM million	475.2	409.2	545.6	792.0	660.0
Series A share turnover	FIM million	144.4	56.1	155.9	242.8	221.8
share volume	1000 each	995.2	609.4	1 274.1	1 498.0	1 028.6
proportion of series A shares outstanding	%	27.8	17.0	35.6	41.8	28.7
Total number of shareholders, December 31		3 011	2 893	2 758	2 190	1 992

¹⁾ Series A share turnover denominated in Finnish marks / number of shares changing hands.

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

Major Shareholders

Book-entry securities system, 31 December, 1998	Series K shares		Series A shares		Total		Voting rights	
	Number	%	Number	%	Number	%	%	
1. Susanne Hohenthal	35 765	4,4	51 169	1,4	86 934	2,0	3,8	
2. Robin Ekström	35 550	4,3	50 950	1,4	86 500	2,0	3,8	
3. Karsina Oy	34 450	4,2			34 450	0,8	3,5	
4. Helene Franzén	27 380	3,3	61 438	1,7	88 818	2,0	3,1	
5. Christina Diehl	27 572	3,4	47 547	1,3	75 119	1,7	3,0	
6. Ebba Valentini	25 400	3,1	77 320	2,2	102 720	2,3	2,9	
7. Jan Hörhammer	25 000	3,1	85 000	2,4	110 000	2,5	2,9	
8. Birgitta Reims	27 623	3,4	30 916	0,9	58 539	1,3	2,9	
9. Johan Gripenberg	27 623	3,4	30 000	0,8	57 623	1,3	2,9	
10. Robin Hackman	25 953	3,2	61 661	1,7	87 614	2,0	2,9	
Total, 10 largest shareholders	292 316	35.8	496 001	13.8	788 317	17.9	31.7	
Board Members and CEO	25 000	3.1	86 510	2.4	111 510	2.5	2.9	
Executive Board Members			1 107	0.1	1 107	0.0	0.0	

Distribution of Shares

Book-entry securities system, 31 December, 1998	Shareholders		Shares		Votes	
	Number	%	1 000 Each	%	1 000 Each	%
1 - 99	1 319	66.2	64	1.5	68	0.3
100 - 999	499	25.0	117	2.6	236	1.2
1 000 - 9 999	106	5.3	358	8.1	2 189	11.0
10 000 - 99 999	64	3.2	2 330	53.0	14 951	75.0
100 000 - 999 999	3	0.2	335	7.6	1 292	6.5
1 000 000 - 9 999 999	1	0.1	1 188	27.0	1 188	6.0
Not transferred to book-entry system			8	0.2	8	0.0
Total	1 992	100.0	4 400	100.0	19 932	100.0

Ownership Structure

Book-entry securities system, 31 December, 1998	Shareholders		Shares		Votes	
	Number	%	1 000 Each	%	1 000 Each	%
Private individuals	1 821	91.4	2 383	54.2	16 240	81.5
Financial institutions	9	0.5	198	4.5	198	1.0
Companies	114	5.7	95	2.2	751	3.8
Non-profit organizations	10	0.5	286	6.5	286	1.4
Non-profit institutes	8	0.4	9	0.2	9	0.0
Non-Finnish and nominee reg.	30	1.5	1 421	32.2	2 440	12.3
Not transferred to book-entry system			8	0.2	8	0.0
Total	1 992	100.0	4 400	100.0	19 932	100.0

SHAREHOLDERS AND MANAGEMENT HOLDINGS

According to the book-entry system, Hackman had 1 992 shareholders as at 31 December, 1998. Foreign shareholders and nominee registered held a total of 1 421 083 shares, or 32.2 % of the total with voting rights of 12.3 %.

The Board Members were in possession of 25 000 series K shares and 86 510 series A shares. This represents 2.9 % of the company's voting rights. The Group Executive Board members held 1 107 series A shares representing less than 0.1 % of the voting rights.

According to the book-entry system as at 31 December, 1998 there were 1 187 995 shares registered in the name of a nominee by Merita Bank Plc, representing 27 % of the total shares and 6.0 % of the voting rights.

SHAREHOLDER AGREEMENTS

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

Group share-related key figures

		1994	1995	1996	1997	1998
Earnings / share	FIM	-1.81	1.70	-5.73	-6.37	6.78
Cash flow / share	FIM	18.65	23.91	17.90	17.38	29.48
Equity / share	1) FIM	162.28	154.67	148.00	138.85	140.55
Dividend / share	2) FIM	2.00	3.00	2.50	2.50	2.50
Dividend / earnings	%	neg.	176.3	neg.	neg.	36.9
Effective dividend yield	%	1.9	3.2	2.0	1.4	1.7
Price / earnings ratio (P/E)		neg.	54.6	neg.	neg.	22.1

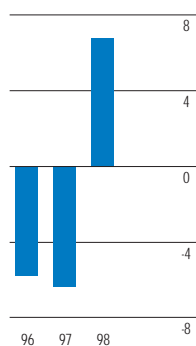
No share issue adjustments over 5 year period.

1) General untaxed reserves have been divided into retained earnings (59 - 72%) and deferred tax liability (28 - 41%) according to the current tax rate of each country.

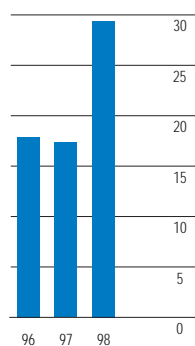
2) Proposal of the Board for 1998.

Calculation of Key Ratios on page 35.

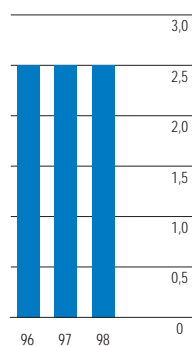
EARNINGS/SHARE, FIM



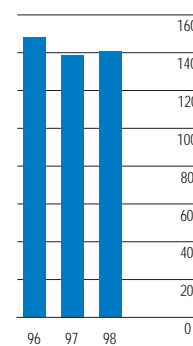
CASH FLOW/SHARE, FIM



DIVIDEND/SHARE, FIM



EQUITY/SHARE, FIM



PROPOSAL OF THE BOARD OF DIRECTORS

According to the Group balance sheet the unrestricted equity as at 31 December, 1998, amounted to	FIM 289 060 000.00
of which the distributable unrestricted equity amounted to	FIM 271 647 000.00

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

Operational fund, 31 December, 1998, FIM	FIM 118 491 619.60
Retained earnings, 31 December, 1998, FIM	FIM 258 276 745.46
Profit for the year	FIM 15 446 141.56
	<hr/>
	FIM 392 214 506.62

The Board of Directors recommends that:

- a dividend on 1998 of FIM 2.50 per share be distributed on the 817 500 Series K shares outstanding and on the 3 582 500 Series 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 118 491 619.60
- the remaining sum is to be held in retained earnings:	FIM 262 722 887.02
	<hr/>
	FIM 392 214 506.62

Helsinki, 16 February, 1999

Stig Gustavson

Björn Gavelstad

Carl-Olaf Homén

Jan Hörhammer

Lars Renström

Tapio Hintikka
CEO

AUDITORS' REPORT

To the shareholders of Hackman Oyj Abp

We have audited the accounting, the financial statements, the consolidated financial statements and the administration of **Hackman Oyj Abp** for the accounting period 1 January - 31 December, 1998. The financial statements, which include the report of the Board of Directors, the income statements and the balance sheets and notes to the financial statements of the consolidated closing and of the closing of the parent company, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on the administration.

We have conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audit included examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. The purpose of our audit of the administration is to examine that the members of the Board of Directors and the Managing Director have legally complied with the rules of the Companies Act.

In our opinion, the financial statements for the financial period showing a profit for the parent company of FIM 15 446 141.56, have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of the consolidated and parent company's results of operations and financial position. The financial statements can be adopted and the members of the Board of Directors and the Managing Director can be discharged from liability for the period examined by us. The proposal by the Board of Directors regarding the handling of the result is in compliance with the Companies Act.

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

Helsinki, 2 March, 1999

Kristian Hallbäck *Anders Borgström*

Authorized Public Accountants

BOARD OF DIRECTORS, AUDITORS



Board of Directors from left to right:

Stig Gustavson, Carl-Olaf Homén, Jan Hörhammer, Björn Gavelstad, Lars Renström.

BOARD

STIG GUSTAVSON,

*1945. Chairman, President and CEO of KCI Konecranes International Plc.
Board Member since 1997. Term expires 2000. Series A shares 1 000.

BJÖRN GAVELSTAD,

*1939. General Manager of Orkla Foods International.
Board Member since 1996. Term expires 1999.

CARL-OLAF HOMÉN,

*1936. Board Member since 1980. Term expires 2001. Series A shares 510.

JAN HÖRHAMMER,

*1945. Division Director of Vaisala Oy. Board Member since 1992.
Term expires 2001. Series A shares 85 000 and Series K shares 25 000.

LARS RENSTRÖM,

*1951. Managing Director of Uniroc AB. Board Member since 1997.
Term expires 2000.

AUDITORS

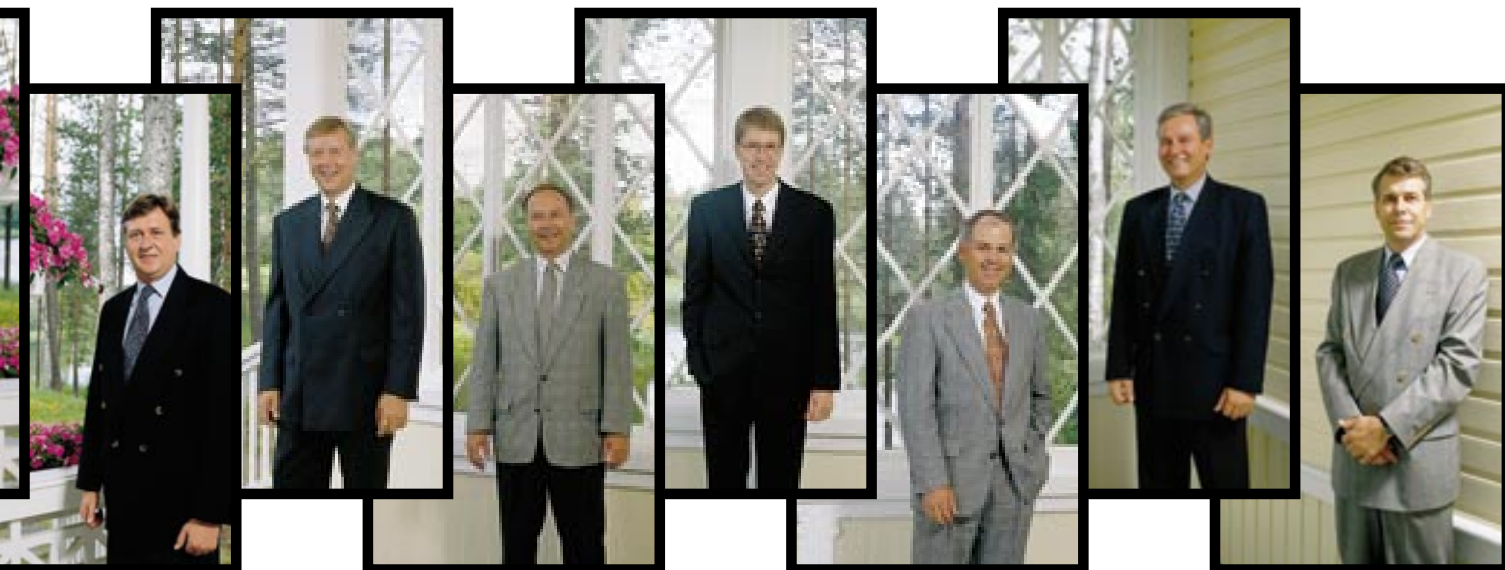
Authorized Public Accountants

Kristian Hallbäck and Anders Borgström

DEPUTY AUDITORS

Authorized Accounting Firm, Tilintarkastajien Oy - Ernst & Young
and Authorized Public Accountant, Rabbe Nevalainen

EXECUTIVE BOARD



Executive Board from left to right: Tapio Hintikka, Lars Malmqvist, Touko Laine, Juhani Kujala, Jori Keckman, Michael Ramm-Schmidt, Markus Nymark, Henrik Immonen.

EXECUTIVE BOARD

TAPIO HINTIKKA

*1942. President and CEO. Employed since 1997.

HENRIK IMMONEN

*1946. President, TTT and Managing Director of Hackman TTT Oy Ab.
Employed since 1989.

JORI KECKMAN

*1961. President, Designer and Managing Director of Hackman Designor Oy Ab.
Employed 1986-1991 and since 1994.

JUHANI KUJALA

*1944. Director, Group Business Planning and Development.
Employed since 1994. Series A shares 50.

TOUKO LAINE

*1943. Director, Administration. Employed since 1990. Series A shares 10.

LARS MALMQVIST

*1946. Chief Financial Officer. Employed since 1990. Series A shares 214.

MARKUS NYMARK

*1946. President, Hadwaco and Eurotanks, Managing Director of Hadwaco Ltd Oy.
Employed 1981-1989 and since 1992. Series A shares 121.

MICHAEL RAMM-SCHMIDT

*1952. President, Metos and Managing Director of Hackman Metos Oy Ab.
Employed since 1989. Series A shares 712.

KEY PERSONNEL OF GROUP FUNCTIONS AND DIVISIONS

GROUP FUNCTIONS

TERHI HÖLSÖ
Group Communication Officer

JUSSI JÄNTTI
Group Finance Manager

KAISA KOKKONEN
Group Business Controller

MIRJA SAKSLIN
Group Controller

TIMO SALMINEN
Group IT-Manager

DESIGNOR

JORI KECKMAN
President,
Designer
Managing Director,
Hackman Designor Oy Ab

BUSINESS AREAS:

TUOMO KOKKONEN
Director, Business Area Arabia

THOMAS ENCKELL
Director, Business Area Hackman

JUHANI VESTERINEN
Director, Business Area iittala

HANS BIÉTH
Director, Business Area Rörstrand

HENRY LÖFSTEDT
Business Controller

METOS

MICHAEL RAMM-SCHMIDT
President,
Metos
Managing Director,
Hackman Metos Oy Ab

YRJÖ SULAVUORI
Director, Finland

LENNART SANDIN
Director, Sweden

ARNE DALSENG
Director, Norway

JARMO SALMINEN
Director, Baltic Countries,
Project Export

LEENA KOSKELAINEN
Director, Russia

JARMO SEPPÄLÄ
Director, Marine

PEKKA MÖNKKÖNEN
Director, Cooking and Frying Products,
Stainless Steel Fabrication

JARKKO AHLSTÉN
Director,
Marketing, Product Sourcing
and Dishwashing Systems

TORSTEN NYBERG
Managing Director, Wexiödisk AB

OTTORINO CASONATO
Managing Director, Dühr S.r.l.

GÖRAN FRÖLANDER-ULF
Director, Finance

PENTTI KIVINEN
Director, Logistics

PETER WAENERBERG
Director, IT



HADWACO

MARKUS NYMARK
President,
Hadwaco
Managing Director,
Hadwaco Ltd Oy

PEKKA HIETALA
Business Controller

VEIKKO PITKÄNEN
Director, Process Equipment

LAURI PREPULA
Director,
Water Treatment Systems

PETER KOISTINEN
Director, Marketing and Sales

LEIF RAMM-SCHMIDT
Product Development Director

KARL MYREÉN
Technical Director
Water Treatment Systems

VESA SOININEN
Export Manager, Process Equipment



EUROTANKS

MARKUS NYMARK
President,
Eurotanks

JEAN FRUCHARD
Managing Director,
Prominox S.A., France

PEKKA HIETALA
Business Controller

LARS JANOCHA
Director, Marketing

BERNARD VOILLOT
Director, Production

HERVE GUÉRIN
Director, Prominox Industrie SA.

PETER G. EKDAHL
Director, Hackman Wedholms

KRZYSZTOF KOWALSKI
Production Director,
Eurotanks Polska

TTT

HENRIK IMMONEN
President,
TTT
Managing Director,
Hackman TTT Oy Ab

REIJO LEIWO
Production Director

SEPPO KAUPPINEN
Sales and Marketing Director

ANTTI TUOMOLA
Sales Director,
Finland and Nearby Countries

TIMO KYLMÄLAHTI
Sales Director,
International Sales

MARKKU VUORINEN
Product Manager

HELINÄ KNUUTILA
Finance and
Administration Manager

TIM GASE
Managing Director,
Peerless Saw Co.,
USA

HELMUT W. KRÄMER
Sales Director,
Hackman TTT GmbH,
Germany

ANDRÉ DELOFFRE
Sales Director,
Hackman TTT Sté,
France



HACKMAN GROUP

www.hackmangroup.com

HACKMAN OYJ ABP Group Management Hackman Finance

Hackman Invest Oy Ab
Hämeentie 135
P.O. Box 955
FI-00561 HELSINKI
Finland
Tel. +358 204 39 11
In Finland 0204 39 11
Fax +358 204 39 5735
In Finland 0204 39 5735

Hackman Norge A/S Hackman Finance

P.O. Box 2023
NO-1501 MOSS
Norway
Tel. +47 69 265 611
Fax +47 69 265 989

Hackman Europe B.V. Hoevestein 19

4903 SE Oosterhout
The Netherlands
Tel. +31 162 488 188
Fax +31 162 488 180

DESIGNOR

FINLAND

Hackman Designor Oy Ab Administration, Finance, Personnel, Sales, Marketing Arabia Factory

Hämeentie 135
P.O. Box 130
FI-00561 HELSINKI
Finland
Tel. +358 204 39 11
In Finland 0204 39 11
Fax +358 204 39 5170,
Administration, Finance, Personnel
In Finland 0204 39 5170
Fax +358 204 39 5741,
Sales, Marketing
In Finland 0204 39 5741
Fax +358 204 39 5160, Export
In Finland 0204 39 5160

Iittala Factory

FI-14500 IITTALA
Finland
Tel. +358 204 39 15
In Finland 0204 39 15
Fax +358 204 39 6303
In Finland 0204 39 6303

Nuutajärvi Factory

FI-31160 NUUTAJÄRVI
Finland
Tel. +358 204 39 6500
In Finland 0204 39 6500
Fax +358 204 39 6550
In Finland 0204 39 6550

Humppila Factory

FI-31640 HUMPPILA
Finland
Tel. +358 204 39 15
In Finland 0204 39 15
Fax +358 204 39 3521
In Finland 0204 39 3521

Sorsakoski Factories

FI-79130 SORSAKOSKI
Finland
Cookware
Tel. +358 204 39 8230
In Finland 0204 39 8230
Fax +358 204 39 8227
In Finland 0204 39 8227
Cutlery
Tel. +358 204 39 8270
In Finland 0204 39 8270
Fax +358 204 39 8280
In Finland 0204 39 8280

Finnecrown Factory

P.O. Box 12
FI-66501 VAHAKYRÖ
Finland
Tel. +358 204 39 8750
In Finland 0204 39 8750
Fax +358 204 39 8751
In Finland 0204 39 8751

SWEDEN

Hackman Rörstrand AB Administration and Rörstrand Factory

Fabriksgratan 4
P.O. Box 903
SE-531 19 LIDKÖPING
VANERN
Sweden
Tel. +46 510 823 00
Fax +46 510 287 65

Designor Shop

Hamngatan 13
SE-111 47 STOCKHOLM
Sweden
Tel. +46 8 678 0775
Fax +46 8 678 8125

NORWAY

Hackman Designor A.S. Sales Office, Administration and Høyang Factory

Midtveien 5
P.O. Box 2023, Høyden
NO-1522 MOSS
Norway
Tel. +47 69 265 611
Fax +47 69 265 989

Hackman Designor A.S.

Polaris Factory
Orstadvn. 272
NO-4353 KLEPP ST.
Norway
Tel. +47 51 423 700
Fax +47 51 424 577

DENMARK

Hackman A/S

Hørkær 12 B
DK-2730 HERLEV
Denmark
Tel. +45 4450 3500
Fax +45 4450 3501 (Sales)
+45 4450 3525
(Administration)

BENELUX, GERMANY, AUSTRIA

Hackman Designor B.V.

Hoevestein 19
4903 SE Oosterhout
The Netherlands
Tel. +31 162 488 188
Fax +31 162 488 180

HUNGARY

Hackman LLC

Váci út 177
HU-1138 BUDAPEST
Hungary
Tel. +36 1 339 0971
Fax +36 1 239 0307

Hackman Cutlery

Factory LLC
Fehérgyarmat
Szatmári út 2
HU-4900 FEHÉRGYARMAT
Hungary
Tel. +36 44 364 444
Fax +36 44 364 563

ESTONIA

Hackman Eesti A/S

Pärnu mnt. 154
EE-11 317 TALLINN
Estonia
Tel. +372 6 500 748 / 500 760
Fax +372 6 500 741

LATVIA

Hackman Latvia Ltd.

87D, Lacplesis Str.
LV-1011 RIGA
Latvia
Tel. +371 7 229 260 / 221 677
Fax +371 7 210 265

USA

Hackman Tabletop Inc.

27 Danbury Road, 3rd Floor
Wilton CT06897
USA
Tel. +1 203 834 1825
Fax +1 203 834 1977

METOS

FINLAND

Hackman Metos Oy Ab Sales Office, Service, Administration, Factory

Ahjonkaarre
FI-04220 KERAVA
Finland
Tel. +358 204 39 13
In Finland 0204 39 13
Fax +358 204 39 4360
In Finland 0204 39 4360

Metos Center

Hämeentie 135
FI-00560 HELSINKI
Finland
Tel. +358 204 39 11
In Finland 0204 39 11
Fax +358 204 39 5669
In Finland 0204 39 5669

Pakkaskone Oy

Laivanrakentajantie 2 B
FI-00980 HELSINKI
Finland
Tel. +358 204 39 4820
In Finland 0204 39 4820
Fax +358 204 39 4821
In Finland 0204 39 4821

Hackman Metos Oy Ab Stainless Steel Fabrication

Sorsakoskentie 17
FI-79130 SORSAKOSKI
Finland
Tel. +358 204 39 8300
In Finland 0204 39 8300
Fax +358 204 39 8350
In Finland 0204 39 8350

SWEDEN

Hackman Metos AB Sales Office and Showroom

Jakobsdalsvägen 12
SE-126 53 HÄGERSTEN
Sweden
Tel. +46 8 775 85 85
Fax +46 8 775 85 22

Hackman Metos AB Administration, Refrigeration Equipment

Söderborgsvägen 32
SE-671 95 KLASSBOL
Sweden
Tel. +46 570 388 70
Fax +46 570 388 90

Hackman Metos AB Service, Sales

Marieholmsgatan 10 B
SE-41502 GÖTEBORG
Sweden
Tel. +46 31 707 7500
Fax +46 31 84 3393





Wexiödisk AB
Märdvägen 4
SE-352 45 VÄXJÖ
Sweden
Tel. +46 470 77 1200
Fax +46 470 237 52

NORWAY

Hackman Metos A/S
Sandstuveien 60 A
NO-1184 OSLO
Norway
Tel. +47 23 384 600
Fax +47 23 384 601

Hackman Metos A/S
Leinskogen 3
NO-2360 RUDSHØGDA
Norway
Tel. +47 62 351 900
Fax +47 62 351 901

ITALY

Dihl S.r.l.
Via del Lavoro, 22/B
I-31033 Castelfranco Veneto (TV)
ITALY
Tel. +39 0423 7344
Fax +39 0423 720 442

ESTONIA

Hackman Metos Eesti AS
Sales, Administration,
Stainless Steel Fabrication
Pärnu mnt. 154
EE-0013 TALLINN
Estonia
Tel. +372 6 500 740
Fax +372 6 500 741



LATVIA

Hackman Latvia SIA
Lacplesa Street 87 D
LV-1011 RIGA
Latvia
Tel. +371 7 229 260
Fax +371 7 210 265

LITHUANIA

Hackman Metos
Representative Office
Lukiskiu gt 3, kab. 209
LT-2600 VILNIUS
Lithuania
Tel./fax +370 2 224 758

RUSSIA

Hackman Metos Moscow
Representative Office
Varshavskoe shosse, d 46,
3 entrance, Office 608
RU-117 198 MOSCOW
Russia
Tel. +7 502 290 8699
Fax +7 502 290 8713

FRANCE

Hackman Metos sarl
46, rue de Paris
FR-78600 MAISONS-LAFFITTE
France
Puh. +33 1 3493 2815
Fax +33 1 3493 2817

HADWACO

FINLAND

Hadwaco Ltd Oy
Hämeentie 135
FI-00560 HELSINKI
Finland
Tel. +358 204 39 11
In Finland 0204 39 11
Fax +358 204 39 5655
In Finland 0204 39 5655

Sorsakoski Factory

Sorsakoskentie 17
FI-79130 SORSAKOSKI
Finland
Tel. +358 204 39 8600
In Finland 0204 39 8600
Fax +358 204 39 8610
In Finland 0204 39 8610

Leppävirta Factory

Teollisuustalotie 1
FI-79100 LEPPÄVIRTA
Finland
Tel. +358 204 39 14
In Finland 0204 39 14
Fax +358 204 39 8401
In Finland 0204 39 8401

USA

Hadwaco US Inc.
2310 Peachford Road
Atlanta, GA 30338
USA
Tel. +1 770 457 4429
Fax +1 770 457 44 20



EUROTANKS

SWEDEN

Hackman Wedholms AB
Blommenhovsvägen 26
P.O. Box 1002
SE-611 29 NYKÖPING
Sweden
Tel. +46 155 280 380
Fax +46 155 280 389

FINLAND

Hackman Wedholms Suomi
Ahertajankatu 18 B
FI-04440 JÄRVENPÄÄ
Finland
Tel. +358 204 39 4810
In Finland 0204 39 4810
Fax +358 204 39 4819
In Finland 0204 39 4819

FRANCE

Prominox S.A.
5, rue Albert 1er
P.O. Box 20
FR-58003 NEVERS CEDEX
France
Tel. +333 86 598 900
Fax +333 86 598 939

POLAND

Eurotanks Sp. z.o.o.
ul. Robotnicza 72
53-608 WROCLAW
Poland
Tel. +48 71 552914
Fax +48 71 552970

TTT

FINLAND

Hackman TTT Oy Ab
Jokiniementie 20
P.O. Box 51
FI-37801 TOIJALA
Finland
Tel. +358 204 39 16
In Finland 0204 39 16
Fax +358 204 39 7199
In Finland 0204 39 7199

Outokumpu Plant

Kalattomantie 77
FI-83500 OUTOKUMPU
Finland
Tel. +358 204 39 7500
In Finland 0204 39 7500
Fax +358 204 39 7501
In Finland 0204 39 7501

GERMANY

Hackman TTT GmbH
Bahnstrasse 13
P.O. Box 1510
DE-51679 WIPPERFURTH
Germany
Tel. +49 2267 4092
Fax +49 2267 4091

FRANCE

Hackman TTT Sté
Mr. André Deloffre
13 Av du Président Allende
FR-40990 SAINT-PAUL-LES-DAX
France
Tel. +33 558 917 506
Fax +33 558 919 572

USA

Peerless Saw Co.
4353 Directors Boulevard
Groveport, OHIO 43125
USA
Tel. +1 614 836 5790
Fax +1 614 836 5824



NOTICE TO THE SHAREHOLDERS

ANNUAL SHAREHOLDERS' MEETING

Tuesday 13 April, 1999, 3.00 p.m. Hotel Strand Inter-Continental,
John Stenbergin ranta 4, Helsinki.

All shareholders who have been registered no later than 8 April, 1999,
in the official company shareholder register kept by Suomen Arvopaperikeskus Oy
may participate in the Annual Shareholders' Meeting.

Notification of attendance no later than 9 April, 1999, to:
Hackman Oyj Abp, Share register, P.O. Box 955, 00561 HELSINKI
or by phone +358 204 39 5717 (in Finland 0204 39 5717)
or e-mail: yvonne.kalej@hackman.fi.

PAYMENT OF DIVIDENDS

The Board of Directors has proposed a dividend of FIM 2.50 per share for 1998
on both Series A and K shares. The dividend clearing day is to be 16 April, 1999
and the date of payment, 23 April, 1999, 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.

FINANCIAL INFORMATION

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

WEEK 12 Annual Report 1998

4 June, 1999, Interim Report, January-April 1999

8 October, 1999, Interim Report, January-August 1999

The publications can be ordered by writing to
Hackman Oyj Abp, Group Communications, P.O. Box 955, FIN-00561 HELSINKI
or by phone +358 204 39 5733 (in Finland 0204 39 5733)
or fax +358 204 39 5708 (in Finland 0204 39 5708).

All financial information will also be published on Hackman's home pages:

www.hackmangroup.com

SUMMARY IN EUROS

ANNUAL REPORT JAN. 1 - DEC. 31, 1998

The Group's result improved but is still unsatisfactory. During 1998 the divisional business areas were streamlined by divesting household plastics, candles and process equipment operations in Sweden.

Hackman Group's net sales increased by 0.4 % to EUR 322.6 million (1997: EUR 321.2 million). The operating result after depreciation totaled EUR 10.8 million (EUR 4.2 million) and the result after financial items totaled EUR 4.6 million (EUR -0.1 million). The Dividend proposal of the Board of Directors is EUR 0.42 per share (EUR 0.42/share).

CHANGES IN THE GROUP STRUCTURE

The Stainless Division was divided into the Eurotanks and Hadwaco divisions at the beginning of 1999 and now the Group has five divisions. The rest of the divisions are Designor, Metos and TTT. At the end of August the household plastic activities, Hammarplast AB and its subsidiaries have been divested as well as Havi Candles Business Area which has belonged to the Division Designor. In Sweden the Process Tanks Business Area was divested in April. It has belonged to Hackman Wedholms AB.

THE NET SALES

The Group's net sales totaled EUR 322.6 million, an increase of 0.4% compared with the corresponding period last year (EUR 321.2 million). Excluding the Business Area Process Tanks in Sweden, divested in April, and the Household Plastic activities and the Business Area Havi Candles, both divested in August, the Group's net sales increased by EUR 30.3 million or 11.4%. The share of exports and foreign sales in Group net sales totaled 63.9% or EUR 206.2 million (57.6%; EUR 185.1 million).

Net Sales, EUR Million

By Division	1998	1997	Change %
Designor	124.3	125.4	-0.9
Metos	95.9	79.1	21.2
Stainless	63.0	64.9	-3.0
TTT	20.4	20.2	0.7
Invest and Others	21.5	38.5	-44.1
Internal Sales	-2.5	-6.9	65.5
Total	322.6	321.2	0.4

By Market Area

Finland	116.4	136.1	-14.5
Other Nordic Countries	103.6	104.0	-0.4
Other European Countries	77.1	59.8	28.9
North America	11.1	8.8	26.0
Other	14.4	12.5	15.7
Total	322.6	321.2	0.4

RESULT

The Group's gross margin was EUR 90.4 million, 28.0% of the net sales (EUR 81.2 million; 25.3%). The operating result totaled EUR 10.8 million or 3.3% of the net sales (EUR 4.2 million; 1.3%), an improvement of EUR 6.6 million.

The other operating income and expenses include EUR 9.7 million (EUR 8.0 million) expenses of research and product development, rental income EUR 0.7 million (EUR 0.8 million) as well as gains on the sales of the fixed assets EUR 0.8 million (EUR 1.0 million). Depreciation according to plan included in activity-based expenses was EUR 16.2 million (EUR 15.7 million).

Net financial costs totaled EUR 6.2 million or 1.9% of net sales (EUR 4.3 million; 1.3%). The Group's operational result after financial items and before extraordinary items totaled EUR 4.6 million (EUR -0.1 million). The result includes an operational loss of EUR 2.2 million for eight months from the Household Plastic and candle activities.

As extraordinary income and expenses are reported the result of divestments and other important changes in the structure, which do not belong to the ordinary business activities. These transactions have previously been reported in the non-recurring items. The comparison figures of the previous periods have been amended in the same way.

The extraordinary items totaled EUR 6.0 million (EUR 6.3 million). The income includes Hackman Invest's gains on the sale of forest and land totaling EUR 8.1 million (EUR 5.1 million). Most of these gains were generated from released revaluation. The income also includes the result from the divestment of the Household Plastic, Hammarplast AB and its subsidiaries and the Havi Candle Business Area, totaling EUR 0.9 million. The extraordinary expenses include the additional structuring and reorganizing expenses, totaling EUR 1.4 million, as well as pension liabilities of EUR 0.8 million, previously reported outside the balance sheet.

The result before appropriations and taxes totaled EUR 10.6 million (EUR 6.2 million), an increase of EUR 4.4 million compared with 1997. Taxes for the year totaled EUR 1.4 million (EUR 3.7 million). The deferred tax liabilities have decreased by EUR 4.9 million mostly because there are no tax liabilities concerning the Finnish activities. Result after extraordinary items, taxes and minority interests, totaled EUR 8.6 million (EUR 0.6 million).

Operating Result after Depreciation per Division,

EUR Million	1998	1997	Change %
Designor	8.6	6.0	42.5
Metos	7.7	5.3	46.7
Stainless	-0.7	-0.9	24.1
TTT	0.8	1.3	-39.2
Invest and Others	-4.2	-5.9	28.4
Internal eliminations	-1.4	-1.6	11.8
Total	10.8	4.2	156.9

DIVISIONAL PERFORMANCES

Hackman Designor's net sales totaled EUR 124.3 million (EUR 125.4 million). Sales outside Finland were EUR 63.9 million or 51.4% (43.9%; EUR 55.1 million). Designor's operating result was EUR 8.6 million, an improvement of EUR 2.6 million compared with last year (EUR 6.0 million). At the end of August, the Business Area Havi Candles was divested.

Hackman Metos' net sales totaled EUR 95.9 million (EUR 79.1 million). Sales outside Finland were EUR 56.8 million or 59.3% (EUR 36.4 million; 46.0%). Hackman Metos' operating result of EUR 7.7 million improved by EUR 2.4 million from 1997 (EUR 5.3 million). In April, Metos acquired Dühr International S.r.l in Italy, and in May a further 15% of the shares in Wexiödisk Förvaltnings AB in Sweden: the ownership is now 85%. At the beginning of June Metos acquired PW System AB and Tillrooths Storkökservice AB in Sweden, followed in October by Pakkaskone Oy in Finland and the business activities in Frost Team AS in Norway.

Hackman Stainless', which after the divestment of the Business Area Processtanks in Sweden, in April consisted of the Business Areas Hadwaco and Milkcooling, net sales totaled EUR 63.0 million (EUR 64.9 million). Sales outside Finland were EUR 56.7 million or 90.1% (EUR 57.6 million; 88.7%). Stainless' operating result, EUR -0.7 million, improved by EUR 0.2 million from previous year (EUR -0.9 million). Hadwaco delivered several reference units. The Business Area Milkcooling has been developed according to the plans.

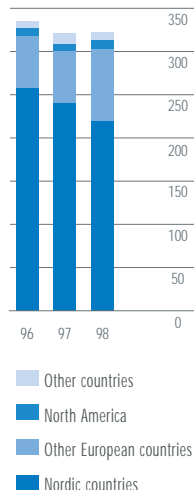
Hackman TTT's net sales totaled EUR 20.4 million (EUR 20.2 million). Sales outside Finland were EUR 13.6 million or 66.8% (EUR 13.5 million; 66.6%). TTT's operating result EUR 0.8 million declined by EUR 0.5 million from the 1997 level (EUR 1.3 million).

Hackman Invest's net sales totaled EUR 21.5 million (EUR 38.5 million). The decrease in net sales was caused by the divestments of the Household Plastic activities at the end of August, 1998 and of Nordic Cosmetics Ltd Oy at the end of 1997. Sales from timber sold from the Group's forests increased by EUR 0.6 million and totaled EUR 0.8 million (EUR 0.2 million). Hackman Invest's operating result was EUR -3.8 million (EUR -3.8 million).

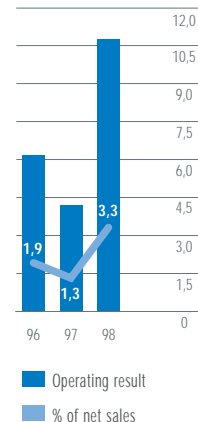
Group Income Statement

EUR Million	1998	%	1997	%
Net Sales	322.6		321.2	
Cost of Goods Sold	-232.2		-240.0	
Gross Margin	90.4	28.0	81.2	25.3
Sales and Marketing Expenses	-47.3		-46.5	
Administrative Expenses	-20.8		-20.5	
Other Operating Income	3.4		2.0	
Other Operating Expenses	-11.5		-9.1	
Depreciation of				
Group Goodwill	-3.4		-2.9	
Operating Result	10.8	3.3	4.2	1.3
Financial Income and Expenses	-6.2	-1.9	-4.3	-1.3
Profit before Extraordinary				
Items, Appropriations and Taxes	4.6	1.4	-0.1	0.0
Extraordinary Income	9.0		11.1	
Extraordinary Expenses	-3.0		-4.8	
Profit before Appropriations				
and Taxes	10.6	3.3	6.2	1.9
Direct taxes	-1.4		-3.7	
Minority Interest	-0.6		-1.9	
Result for the Period	8.6	2.7	0.6	0.2

NET SALES, EUR Million



OPERATING RESULT AFTER DEPRECIATION, EUR Million



Group Balance Sheet

EUR Million	Dec. 31, 1998	Dec. 31, 1997
Fixed and other Long-lived Assets	120.5	129.6
Inventories	66.3	73.1
Financial Assets	64.3	71.6
Total Assets	251.1	274.3
Shareholders' Equity	104.0	102.8
Minority Interest	2.7	9.2
Mandatory Reserves	4.3	2.1
Non-current Liabilities	51.2	71.3
Current Liabilities	88.9	88.9
Total Shareholders' Equity and Liabilities	251.1	274.3

Group Liabilities

EUR Million	Dec. 31, 1998	Dec. 31, 1997
Mortgages		
Collateral for Own Liabilities	33.5	33.3
Mortgages on Company Assets		
Collateral for Own Liabilities	10.0	15.3
Other Pledges Given		
Collateral for Own Liabilities	2.2	2.9
Guarantees for Others	0.5	0.7
Other Liabilities	2.8	2.8

Key Ratios		1998	1997
Return on Investment	%	5.6	2.9
Return on Equity	%	5.1	-2.4
Equity Ratio	%	42.7	41.3
Earnings / Share	EUR	1.1	-1.1
Cash Flow / Share	EUR	5.0	2.9
Shareholders' Equity / Share	EUR	23.6	23.4
Price earnings Ratio (P/E)	EUR	3.7	Neg
Dividend / Share ¹⁾	EUR	0.42	0.42
Dividend / Earnings	%	36.9	Neg
Effective Dividend Yield	%	1.7	1.4

1) Proposal of the Board for 1998

INVESTMENTS AND FINANCE

The Group's gross investments totaled EUR 32.1 million (EUR 13.3 million). The biggest separate item consists of goodwill, EUR 14.1 million. The goodwill is partly originated from Hackman's acquisition of the remaining 40% of the shares of Hackman Metos Oy Ab from Instrumentarium Oyj in the beginning of the year and partly from the acquisitions made by the Metos Division.

Net working capital totaled EUR 64.5 million at the year end or 20.0% of the net sales (EUR 69.7 million; 21.7%). The Group's liquidity was good throughout the year. Interest bearing liabilities declined during the year by EUR 10.4 million and were EUR 81.9 million at the turn of the year. Short term liabilities were EUR 88.9 million (EUR 88.9 million) in total and long term liabilities were EUR 51.2 million (EUR 71.3 million) in total.

SOLVENCY

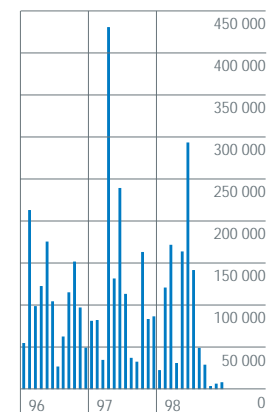
At the end of the year the Group's equity totaled EUR 104.0 million (EUR 102.8 million) or EUR 23.6 per share (EUR 23.4). In the Financial Statement the reserves have been divided into unrestricted equity and tax liabilities. In the calculation of the deferred tax the current tax rate of each country (28 - 41%) has been applied. In Finland there are no deferred tax liabilities. The Group's equity ratio was 42.7% (41.3%).

At the end of 1998 the Group had 16 817 hectares of forest, 141 hectares of waterfront property, 74 hectares of industrial property and 35 hectares of residential property. The total consolidated balance sheet value of these assets was EUR 36.8 million. For 1995-1998, the agreements called for a total of EUR 56.2 million (31 337 hectares) in the sale of forest and waterfront property. Deals worth a total of EUR 47.8 million were executed in 1995-1997 and deals worth of EUR 8.4 million involving 4 988 hectares were executed in January 1998. The sales have improved the Group liquidity, but have

A-SHARE PRICES
1996-1998, EUR



A-SHARE TRADING VOLUMES
1996-1998



not had any fundamental effect on the Group's equity. The sales prices of the property were mainly equal to the book value, taking into account the earlier revaluation.

Personnel	1998	1997
Average	3 225	3 117
outside Finland	1 521	1 471
December, 31	3 003	3 084
outside Finland	1 319	1 430

FUTURE OUTLOOK

We foresee that the demand of our products in the European market will level off and put pressure on profit margins. Hackman Group has invested in product development and marketing, while simplifying the structure and focusing on operational efficiency. In spite of the worsened market situation, the Group has the prospect of reaching moderate growth in net sales and profit in 1999.

PROPOSAL FOR DIVIDEND

Hackman Oyj Abp's Board of Directors has decided to propose a dividend of EUR 0.42 per share (EUR 0.42/share) or EUR 1.9 million (EUR 1.9 million) in total at the Annual Shareholders' Meeting.

Hackman Oyj Abp

Board of Directors