

HACKMAN GROUP

Annual Report 2000



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NOTICE TO THE SHAREHOLDERS

Annual Shareholders' Meeting

Thursday 19 April 2001, 3.00 p.m. Scandic Hotel Continental Helsinki, conference room Nordica I, Mannerheimintie 46, Helsinki.

All shareholders who have been registered no later than 9 April, 2001 in the official company shareholder register kept by Suomen Arvopaperikeskus Oy may participate in the Annual Shareholders' Meeting.

Notification of attendance no later than 17 April, 2001, 2.00 p.m. to:
Hackman Oyj Abp, Share register, P.O.Box 955, 00561 HELSINKI
or by phone + 358 (0) 204 39 5717
or e-mail: yvonne.kalej@hackmangroup.com

Please notice, if your address has changed, inform the bank that takes care of your stocks on your new address.

Payment of dividends

The Board of Directors has proposed a dividend of EUR 0.50 per share for 2000 on both Series A and K shares. The dividend clearing day is to be 24 April, 2001 and the date of payment, 2 May, 2001, 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

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

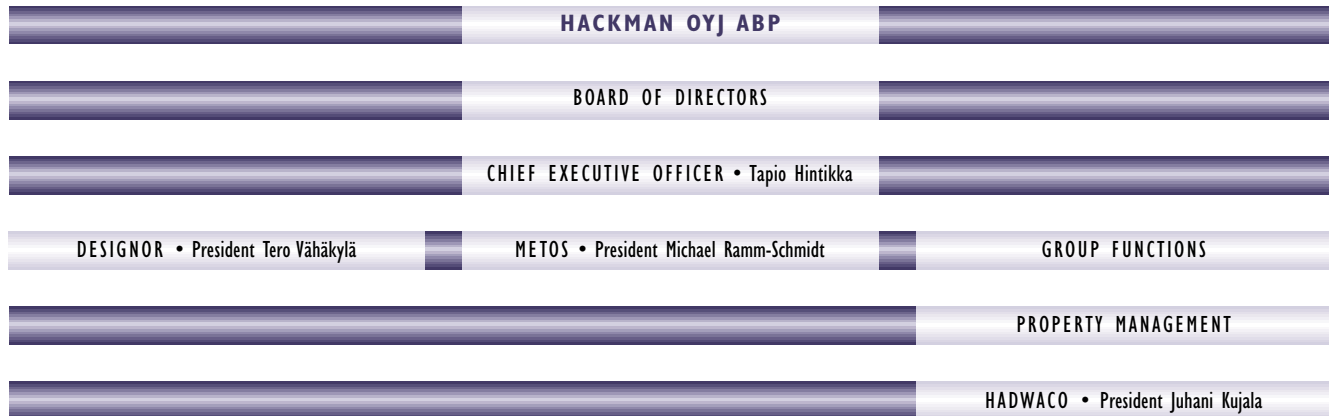
Annual Report 2000	Week 12	(19-23 March, 2001)
Interim Report I Q	Friday 4 May, 2001	(1-3 months)
Interim Report II Q	Thursday 2 August, 2001	(1-6 months)
Interim Report III Q	Thursday 1 November, 2001	(1-9 months)

The publications can be ordered by writing to

Hackman Oyj Abp, Group Communications,
P.O.Box 955, FIN-00561 HELSINKI
or by phone + 358 (0) 204 39 5732
or by fax + 358 (0) 204 39 5708

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

www.hackmangroup.com



Hackman Oyj Abp is a holding company, whose primary task within the Group is to serve as a source of financing. In operational terms, the Group Head Office assumes responsibility for the business areas' financing, investor and financing relations, property management, and the necessary coordination projects. We are concentrating on our two main divisions, Designor and Metos. The common feature of these divisions is that their growth is based on the consumer's increasing purchasing power and desire to invest in the quality of life. Our other activities include the Hadwaco Division, Group functions and the management of real property.

From the beginning of 2001 operational business follow-up of the divisions was forwarded to the board of Hackman Oyj Abp by closing the external divisional boards. This arrangement increases the Boards awareness of the main business drivers of both divisions as well as the Boards possibilities to contribute the strategy development.

Designor is a leading manufacturer and marketer of housewares based on Scandinavian design. The four Designor brands – iittala, Arabia, Rörstrand and Hackman – are well known throughout the Nordic countries.

Metos develops and produces services, systems and individual products for the needs of food and beverage production in professional kitchens. Metos's operations are divided into two main areas: Metos-brand products and manufacturing, and end-user operations. Importers and distributors are responsible for the international distribution of Metos-brand products. The objective is to be the best global supplier in the sector by virtue of those products. The end-user operations, which rely on Metos' marketing and logistics concept, aim at being the best local supplier of professional kitchens in selected markets. In Europe, Metos

is among the five largest firms in its sector.

The HackmanGroup operates in over 20 countries. In 2000 the HackmanGroup's sales were valued at EUR 315.8 million and the group's personnel numbered 2 610, of whom worked outside of Finland 1 221.

We have defined our way of operating on the basis of the following shared values:

A STRONG BUSINESS ETHIC

At Hackman we take responsibility for the environment and show concern for the employees. In our operations we adhere to high morals and the principles of sustainable development.

A CUSTOMER ORIENTATION

Superior product and service quality are important to us, because that quality is the foundation of customer satisfaction. We collect customer feedback actively and develop our operations on that basis.

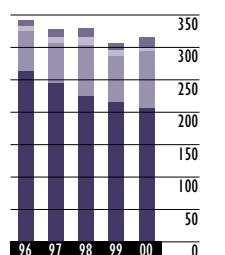
OPENNESS AND PARTICIPATION

At Hackman, openness, interaction and cooperation constitute an essential aspect of everyday life. We consider it important that employees participate in the development of their own jobs and the work community. This increases both motivation and work efficiency.

A WILLINGNESS TO CHANGE

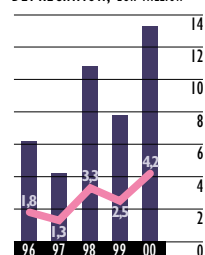
We are constantly developing our personnel and our organization. We are always striving to anticipate what's ahead and to change in accordance with spirit of the time – without forgetting our strong traditions.

NET SALES, EUR MILLION



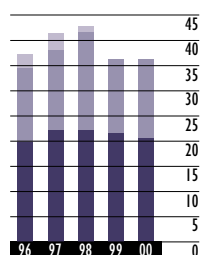
■ Other countries
 ■ North America
 ■ Other European countries
 ■ Nordic countries

OPERATING RESULT AFTER DEPRECIATION, EUR MILLION



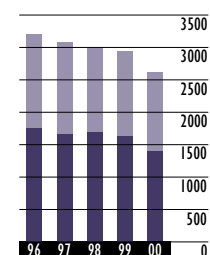
■ Operating result
 ■ % of net sales

EQUITY RATIO, %



■ Minority interest
 ■ Unrestricted equity
 ■ Restricted equity

PERSONNEL, DECEMBER 31



■ Other countries
 ■ Finland

2000 IN BRIEF

		2000	1999	Change	%
Net sales	EUR million	315.8	306.6	9.2	3.0
Outside Finland	EUR million	203.1	185.7	17.4	9.4
Operating result after depreciation	EUR million	13.3	7.8	5.5	70.5
Share of net sales	%	4.2	2.5	1.7	
Result before extraordinary items	EUR million	8.3	2.8	5.5	
Share of net sales	%	2.6	0.9	1.7	
Gross investments	EUR million	25.3	14.7	10.6	72.1
Balance sheet total	EUR million	263.8	252.0	11.8	4.7
Earnings per share (EPS)	EUR	1.81	0.16	1.65	
Dividend/earnings	%	27.6	259.0	-	
Return on net assets (RNA)	%	8.0	4.7	3.3	
Return on equity (ROE)	%	8.7	0.9	7.8	
Equity ratio	%	36.1	36.1	0	
Number of personnel, December 31		2 610	2 943	-333	-11.3
Outside Finland		1 221	1 316	-95	-7.2

For a complete list of key figures see pages 37 and 41.

Events and New Products in Main Divisions – 2000

D E S I G N O R

Chicago Athenaeum Good Design Award

The award was given to the following products from Hackman tools® – collection: Lovegrove 2000, Citterio Collective tools 2000, Lindfors 98, Seth-Andersson 98, Citterio 2000, Citterio 98, Koskinen 2000 and Piano Workshop 98.

Arabia Artists' Exhibition at Retretti Art Center, May 31-August 28, 2000

Those participating in the show were Inkeri Leivo, Kati Tuominen-Niittyliä, Heljä Liukko-Sundström, Olli Vasa, Pekka Paikkari, Pekka Toivanen, Fujimo Ishimoto, Kristina Riska, Nathalie Lahdenmäki, and Julia Virkkunen and Zia.

Harri Koskinen - 2000 Young Designer of the Year

The Design Forum Finland issued its Young Designer of the Year Prize to honor the 125th anniversary of the Finnish Association for the Applied Arts. The prize was awarded in special recognition of an international breakthrough in the field of design. Designer's Harri Koskinen (1970-) was one of the two to receive the honor. Harri's most recent undertaking was an invitational show at Issey Miyake's gallery in Tokyo.

Design Plus Prize at Frankfurt's Ambiente Fair

Awarded in February to Carina Seth-Andersson's bowls and Konstantin Grcic's tumblers of the iittala relations –collection and Ross Lovegrove's water pitcher of the Hackman tools®, collection.

Stefan Lindfors's Housemix in Milan

Housemix, held during the Milan Furniture Fair, brought together the fruits of Stefan's industrial design. The show represented the cooperative effort of Arabia, iittala, Hackman, Marimekko and P.O. Korhonen. In spring 2001 the show will be seen in Tokyo.

Design Yearbook 2000

From Hackman tools®, collection the Lovegrove 99 -kettle was chosen into the 2000 Design Yearbook.

Utmärkt Svensk Form

From the iittala relations -collection Carina Seth-Andersson -bowls and her Grade °C-dishes from Rörstrand were awarded the Utmärkt Svensk Form -diploma. The jury gave also to Rörstrand's Qvint-set the Utmärkt Svensk Form -special prize.

Media Finlandia Gold Medal to Teema Advertisement

Arabia's Teema campaign took the gold medal in the Finnish newspaper company A-lehden's advertising competition. The same advertisement received a silver medal in Grafia's "Year's Best" competition for graphic works.

Tapio Wirkkala – Eye, Hand, Thought

This retrospective exhibition at Helsinki's Museum of Art and Design awakened broad international interest. Wirkkala's name is associated with iittala's emergence as a trail-blazer in modern glass design. Iittala was the museum's main partner in organizing the Wirkkala show. Its run at the museum now over, the exhibition is going on tour internationally.



Tapio Wirkkala – Eye, Hand, Thought



24h in blue, design Heikki Orvola

iF Product Design Award 2000

To the Citterio Collective tools 2000 -series has been awarded the iF Product Design Award. The awarded products had been set out on the iF Design Exhibition and in the iF Yearbook.

Heikki Orvola - Craft Design

This Heikki Orvola retrospective exhibition, held at Helsinki's Museum of Art and Design, showcased his production from a period of 30 years. In connection with the show, a book of the same name was published. The book's systematic presentation of Orvola glasses from iittala serial production represents a tool of vital importance to collectors and researchers.

NEW DESIGNOR PRODUCTS

iittala

Cube 2000, design by Oiva Toikka
Bird 2000: Arctic Tern, design by Oiva Toikka
Verna, design by Kerttu Nurminen, addition to series
BOY, design by Stefan Lindfors
Gabriel, design by Markku Salo
Nappi, design by Markku Salo, new color
Ballo, design by Annaleena Hakatie, new color
Kivi, design by Heikki Orvola, new color
Aino Aalto Gray, design by Aino Aalto
Alue, Pro Arte collection, design by Harri Koskinen
Peace, Pro Arte collection, design by Kerttu Nurminen
Pan&Dora, Pro Arte collection, design by Markku Salo



Hackman

Citterio Collective Tools, Hackman tools®, design by Antonio Citterio with Glen Oliver Löw
Koskinen 2000, Hackman tools®, design by Harri Koskinen
Lovegrove 2000, Hackman tools®, design by Ross Lovegrove
Soft basic kitchenware series

HACKMAN®

Rörstrand

Grade °C, design by Pia Törnell
Qvint, design by Jonas Bohlin
Origo, design by Alfredo Häberli
The Ten Commandments – annual plate series, design Kerstin Holmstedt
December-christmas dinner ware, design Pia Rönndahl



Arabia

Ego, design by Stefan Lindfors, addition to series
Flora & Fauna, design by Pekka Toivanen and Eeva Sivula
Illusia, design by Heikki Orvola and Fujimo Ishimoto, addition to series
Heljä collection – mugs and porcelain wall ornaments, design by Heljä Liukko-Sundström
24h in blue, design by Heikki Orvola
Paradise in black and white, design by Birger Kaipiainen
Rollo, design by Tony Alfström
Flock - new birds, design by Howard Smith



Koskinen 2000, Hackman tools®, design Harri Koskinen



Grade °C, design Pia Törnell

MOST IMPORTANT NEW PRODUCTS

- Metos Proveno combi kettle
- Metos WD granule pot and pan washer
- Metos Proff food distribution system
- Metos ICS+ environmentally friendly energy and cost optimization system for tunnel dishwashing machines
- In Italy, updated line of dishwashing machines (Dihr)
- New combi oven (Olis)



EXAMPLES OF SIGNIFICANT DELIVERIES

Finland

- Vaasan Lääninvankila (a prison in Vaasa)
- Tampereen Normaalkoulu (a school in Tampere)
- Nokia House, Oulu
- Alko Oy Headquarters, Vantaa
- Agora, Jyväskylä University
- Scandic Hotel Simonkenttä, Helsinki
- Finnair Stadium, Helsinki

Sweden

- Grythyttans Gästfivargård - restaurant, Grythyttan
- Scandic Hotel Infra City, Stockholm
- Vivo Sabis Fältöversten - supermarket, Stockholm
- Mega Focus - supermarket, Göteborg
- Restaurang Mezzo, Åhléns Varuhuset City, Stockholm

Norway

- ISS Arena & Invent, Norwegian Paviljon, Exporama, Hannover
- Inforama Messesenter, Oslo
- Quality Hotel, Sarpsborg & Stavanger
- Peppe's Pizza, many restaurants
- Høgskolen i Agder, Kristiansand

Italy

- Hotel Bellevue S.A.M. S.r.l., Ischia
- Restaurant "Filippino", Lipari Isle
- Hotel Continental, Taormina
- Circolo Ufficiali Marina Militare la Maddalena, Maddalena Isle
- Istituto Augologico Italiano, Piancavallo Oggebbio

Russia

- Ministry of Transportation and Communication, 3 sanatorium kitchens: two in Moscow region, one in Sochi
- Surgut Nefte Gaz, restaurant in Surgut
- British Petroleum in Moscow
- Barviha, Russian Government sanatorium in Moscow
- Uzbekistan Maternity Hospital in Tashkent
- House of Ministries of Autonomic Republic of Tatarstan, in Kazan, canteen kitchen

Estonia

- Stockmann Supermarket; restaurant "Fifth Floor", Café and Deli coffeeshop, Tallinn
- Sikupilli Commercial Centre; Prisma Sikupilli Market (Hansafood AS), Tallinn
- Sanatoorium "Meri"; Siva Invest OÜ, Kuressaare

Latvia

- Maritim Park Hotel, Riga
- State Chancellery Cabinet of Ministers, Riga
- Italian restaurant Monterosso, Riga

Lithuania

- Mazoji Ragaine Confectionery department, Vilnius
- Pauksčiu Takas TV tower cafe, Vilnius
- Cafe Lauvita, Vilnius

France

- Noisy le Grand Central Kitchen, Paris
- Guyancourt - Techno-Centre Kitchen, Paris
- La Roche sur Hospital Kitchen, Nantes

Belgium

- Volvo Parts, Gent
- Dexia Bank, Brussel
- Onze Lieve Vrouw Ziekenhuis (Hospital), Aalst

Other Markets

- TFK Corporation, Tokyo, Narita airport, Japan
- Tokyo Disneyland, Japan
- Qantas Flight Catering, Melbourne, Australia.
- The Canberra hospital, Australia
- Airest catering, Graz, Austria
- Asiana catering, Seoul, Korea
- SATS Inflight Catering Centre, Changi Airport, Singapore
- Creative Hotel, Playa Del Ingles, Spain
- Citybank Dublin, Ireland
- HQ Heineken - Zoeterwoude, Holland
- Ibis Hotel - Amsterdam, Holland
- ABN AMRO Bank, Amsterdam, Holland



Metos Proveno combi kettle



Metos ICS+ -tunnel dishwashing machines



Metos Convoplus combi ovens



Metos WD granule pot and pan washer



In accordance with our strategy, we are concentrating on two divisions: Designor, which manufactures and markets housewares based on Scandinavian design; and Metos, which specializes in equipment and systems for professional kitchens. The foundation of both divisions' growth is identical – the consumer's increasing purchasing power and desire to invest in the quality of his or her life.

It is vitally important that we understand and anticipate changes connected with people's living environments and behavior. Among our target groups, we especially follow city-dwellers over the age of 30. Their way of living is characterized by two parallel trends - furnishing their homes and eating out. They eat out regularly in restaurants, at fast-food establishments and at work. The home is an important counterweight to the haste of working life. People want to make their homes retreats, which reflect their own personal identity.

Consumer behavior has taken on a fast pace: its cycles are shorter than before. Consumers react quickly to the image of the world that product offerings and the media create. The speed-up/slow-down way of thinking is clearly visible in demand. People react rapidly to fashion trends – a factor also visible in the purchasing behavior of people

over 40, who have the most purchasing power.

As part of the description of our strategic operating environment, we are beginning, in this annual report, a series of articles on megatrends in consumer behavior. In this operating environment, one can stand out from one's competitors only by being better. Superiority means more than the products' quality, design and distribution channels. As Rolf Jensen notes in this annual report, the one with the best, vital story with which the consumer can identify will emerge the victor. Therein lies the great challenge for us.

Our Group has numerous well-known brands, whose value we are increasing by making them clearer. During 2001 we will refine the definitions so as to apply them on a practical level. Designor's main brands are in Finland and the other Nordic countries - Arabia, Hackman, iittala and Rörstrand. Of these, Hackman and iittala are international brands. Designor's most important competitive factor is cutting edge Scandinavian design. We are supporting the brand image with the Designor outlet concept.

Through corporate acquisitions, Metos has obtained regional brands for its product selections. Metos continues to serve as the main brand, however, both in Finland and abroad. In addition to the Metos brand, we are using strategic brands with solid market positions in their own regions. Metos stands out clearly from its competitors by its characteristic way of operating. We are strengthening the Metos brand and corporate image by making Metos a system supplier whose strength is founded on a clear service concept and direct customer contacts.

ACTIVITY IN 2000

Hackman Oyj Abp is a holding company, whose primary task within the Group is to serve as a source of financing. In operational terms, the Group Head Office assumes responsibility for the business areas' financing, investor and financing relations, property management, and the necessary coordination projects.

During the year under review, the general economic trend was good in the market areas where our Group operates. As part of our concentration strategy, we divested ourselves of the TTT Division at the end of the year. The Eurotanks Division's operations are in the exit process, in

accordance with the plan drafted in 1999.

In the Nordic countries, HackmanGroup is the market leader in its most important business areas. Metos's market share increased through both corporate acquisitions and organic growth, which exceeded that of market growth. Metos has become an important international supplier of systems in the professional-kitchen sector.

Designor's market share remained constant in the most important markets. During the year under review, the creation of products proceeded according to plan and profitability improved. Designor increased its marketing investments primarily in the EU countries and the United States. We believe that exports will get new impetus from both the new international brand strategy and the development of the shop-in-shop concept, with which we are making the purchasing event exciting for the consumer.

PROFITABILITY

Although our profitability clearly increased from the level of preceding years, we still cannot be satisfied with the level achieved. The result level nevertheless corresponds to the structural development program's long-term plan.

Metos and Designor already account for 87 percent of the Group's net sales. In both divisions, the business result is progressing towards the established objective, 8 percent of net sales. Hadwaco's low volume of orders in hand and major after-sale expenses for certain of its previous deliveries represented disappointments. The high price of the most important single raw material, stainless steel, also led to major cost pressures in all areas of operations.

DEVELOPMENT CHALLENGES

One of Designor's greatest challenges is to combine the creativity of designers with systematic product development. During the year under review, the product development decision-making process was given greater precision. That process will be a key factor in the process-management development project that has been launched.

Generally, the streamlining of production has been continued by centralizing resources and increasing the use of subcontractors. Investments have concentrated on removing bottlenecks with the aid of automation.

ACCELERATING CHANGE THROUGH PERSONNEL TRAINING

HackmanGroup's principle of ongoing change is being supported firstly by training. The year under review witnessed the launching of the third Optimus training program – the first in English, and the first in which representatives of units outside of Finland have taken part. The training is based on Hackman's values, which the trained messengers carry forward into the organization's everyday operations. In addition, the training acquaints the participants with the legalities of economics and, especially, the development of what the participants themselves do.

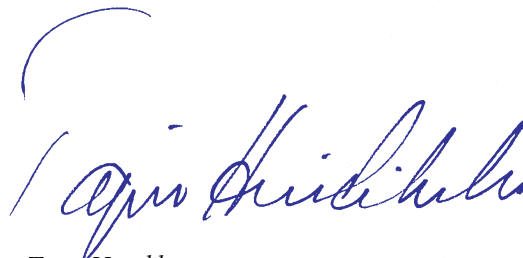
The modernization of initiative activities is putting our company's key values into action. Those values include participation, a willingness to change, as well as openness. By financially supporting personnel recreational pursuits, we are helping people cope on the job.

The Hackman Euroforum, which began its activity in 1998, convened for the second meeting in its history on April 14, 2000. The Hackman Euroforum promotes interaction among employees, and between employees and the management. The objective is also to develop modes of interaction between meetings. We have already received favorable feedback about those efforts.

OUR WILLINGNESS TO CHANGE

WILL BE EVIDENT IN OUR 2001 OPERATIONS

During the past year, that willingness - one of our basic values – proved a central factor. Our customers, partners and owners have reacted favorably to the strategy of change that we are implementing. Our personnel have found themselves caught up in the whirl of many sorts of change and have internalized the organizational changes admirably. It will be good to proceed from this point in 2001, as the directions are in place and the realization of many things awaits us.



Tapio Hintikka
CEO and President

A Vision of the Future

THE BEST STORY WINS

What is the future of business after the Information Age? It won't be the latest technology or newest product, but the story behind the product that will provide the competitive edge.



In his book *The Dream Society*¹⁾ Dr Rolf Jensen describes the consumer of the future, who instead of buying material items buys stories.

To illustrate his point, Dr Jensen holds a green and a red glass egg in each hand.

– This is the logical part of the brain, this is the dream brain, he says. When you are buying a brand product, you buy it using your dream brain. When you get home to your family, you will be asked to defend your choice. Why did you pay so much? It is the logical mind that has to defend the decision: the product can be washed over and over again. Even though the logical part of the brain was not involved in the decision, it has to defend the decision like good lawyer.

– Not only are we seduced by stories – it is worse than that. We have no defence whatsoever. The point of storytelling is that we need them.

People have always needed stories. The difference is that today we can afford to buy them. The average European consumer has become six or seven times richer over the past hundred years. On the other hand, automation of production of goods and data is has cut down prices.

As an example, Dr Jensen tells about a truck that drives from a small town in Southern Sweden to Italy with a tank full of spring water. At the same time another truck leaves from Italy to Sweden. The drivers cross each other some-

where in Germany. - This actually happens, Jensen smiles, yet any expert can tell you that tap water is healthy. What people buy is the story of Italian or Swedish spring water.

As another example of the Dream Society, Dr Jensen refers to an advertisement he saw in the US of a “single-sheep blanket”, a blanket marketed as the product from the wool of a particular sheep whose photo is shown with the product.

Who tells the stories?

– In the Information Society, stories were told by people from the art world – authors and actors. In the Dream Society, companies are also taking that role.

Advertising is the most common forum of storytelling by companies. Dr Jensen believes that it might soon reach a limit – there is advertising anywhere. Event marketing and guerilla marketing have come to complete traditional advertising. As an example of guerilla marketing he recalls a campaign in New York, where 1800 wallets were thrown on the pavement. Each wallet contained a message asking to donate money to a charity organisation. –That was theatre outside the theatre, people wandering whether or not to pick up the wallet, he comments.

Dr Jensen believes that in the Dream Society, the product's material qualities become secondary. In that sense, the Dream Society marks the end of material domination.

– First you had the product with a certain quality. The second stage is the brand that you can identify yourself with. This is where most companies are today. In the third stage the product itself becomes a byproduct.

– The creation of a product's story begins with the choice of a theme. We have identified eight Deep Desires

that range from love via freedom and control to recognition. It is a very useful exercise to determine which emotional market your product is being launched into.

The next step is to construct the story. Researches have identified six building blocks that should be strategically placed in relation to one another. - One of the most important parts in the story is the opponent. Think of Star Wars without Darth Vader, or Titanic arriving safely in New York. The opponent is often missing in marketing.

The Scaninavian design concept is based functional features.

How does that fit into the emotional setting of the story?

– Indeed, how to emotionalise the clean and nice design, their neutral lines? What is the story really about? It can be about love and about the loving family, which would be a natural story when we talk about the kitchen and the home. There is also the recognition aspect – this is a family with good taste.

One trend could be that professional kitchen equipment is marketed for the home, Dr Jensen reflects. - When you invite family and friends for the weekend, you buy good raw materials directly from the farmer. To illustrate to your friends and family that you are serious about them, you have professional equipment to prepare your food. And you also invite your guests into the kitchen to observe the ritual.

What happens to design?

– Design as I understand it will disappear. What the designer must first do is to build the story, and out of the story comes the design. The order is reversed. You have to add more emotion into design.

Will people get tired of all the stories that they are being told all the time?

– The best story wins. I can easily imagine a minimalistic story entering the market. GAP recommended its clients not to buy ego-gratifying things, but just a few good items. I can easily imagine a no-nonsense section in a department store for the “rational” consumer – which in turn becomes a story.

Is the human mind changing?

– We have been fascinated by science and technology for centuries, with a strong focus on rational thinking. Traditional societies have few but very powerful stories, about farming, wars, families. The Great Stories are about ideologies you are willing to die for, stories about good and evil. In the Dream Society, you buy your own story, and you as a consumer make the choice. People will always crave stories.

Rolf Jensen is Director of The Copenhagen Institute for Future Studies, one of the world's largest future-oriented think tanks. Strategic advisor to over 100 leading international companies and government agencies, he is also Council Advisor to The Futures Council of The Conference Board, Europe. His articles on future issues and business strategy have been published in numerous periodicals, including The Futurist. Dr Jensen is a member of the World Future Society based in Washington, DC.

¹⁾ The Dream Society, McGraw-Hill, 1999

Text: Elina Joensuu, Oy Fountain Park Ltd.

Designor is a leading manufacturer and marketer of housewares based on Scandinavian design.

SCANDINAVIAN DESIGN IS OUR CORE COMPETENCE

We operate in a sector in which local brands have traditionally enjoyed a strong position. Our sector is however internationalizing ever more quickly. Today, we are already one of the sector’s major enterprises. We are one of Europe’s leading manufacturers of products that embody modern Scandinavian design. Success in internationalization defines who will survive in our market. The Nordic countries, in which our position is strong, provide a good springboard for our further internationalization.

Design and an in-depth understanding of consumer behavior play a central role in our product development. The designer’s name is a part of the product and is prominently featured in the products and their marketing. Most of our designers have already worked for all our brands and know what those brands represent. Clear definition of the brand’s values in connection with the work assignment helps the designer. In this context we have succeeded with the designers of Hackman tools®, as attested to by the Good Design Award presented to that series by the Chicago Athenaeum Museum of Architecture and Design. The Athenaeum gave the award to selected products that represented the innovativeness, vitality and energy of contemporary international design. The award is presented yearly to designers and manufacturers who demonstrate new and innovative product thinking and thus revitalize conventional consumer-goods design.¹⁾

Consumer trends speak strongly in favour our strategic decision to concentrate on modern Scandinavian design. Today, people are investing in their homes. They are making their homes places in which they can express themselves and their values. Various trends come and go in home furnishings as in other sectors. Alongside the trends of the moment, the popularity of modern Scandinavian design has endured. There is thus no reason to think that Scandinavian design will lose its standing in the future, either.

IN DEVELOPMENT PROJECTS, WE ARE INVESTING IN GROWTH

Designor’s business result developed favourably and our profitability improved for the fifth year in a row. In terms of profitability, we can be fairly satisfied with developments at Designor, although we did fall short of our growth objectives for net sales. The healthy level of profitability we have achieved does however assure us of good points of departure for developing our operations dynamically, and for creating the necessary growth. Indeed, the developmental projects now in progress emphasize the generation of growth.

Our growth strategy has six cornerstones. We are concentrating on developing and strengthening our position in our Nordic home market, international growth, improvement of internal efficiency, development of retailing concepts, improving industrial competitiveness, and developing our organization.

We are improving our market positions in our home market by developing our sales organization and creating new sales channels. By improving our competitiveness we will be able to increase further our market share. In our Nordic home market we are emphasizing the further development and refinement of our strong brands.

In the international market we will grow by concentrating on fewer brands than

DESIGNOR, EUR MILLION	2000	1999
Net Sales	132.1	131.2
Outside Finland	72.5	68.8
Operating result after depreciation	10.0	9.4
% of net sales	7.6	7.2
Investments	14.7	11.9
RNA %	17.9	17.2
Personnel, average	1 504	1 494
Outside Finland	520	532



TERO VÄHÄKYLÄ,
President, Designor
Managing Director, Designor Oy Ab



Stefan Lindfors – Ego



Harri Koskinen – Klubi barware



before, and by targeting our products at city-dwellers with purchasing power who are attracted to modern Scandinavian design.

Internal efficiency requires constant improvement. During the year under review, we defined our key processes: developing brands and new products, managing the product portfolio on a market-by-market basis, sales forecasting and production planning, innovation, development of retailing concepts, and the planning and control of our business. In 2001 we will focus on improving these processes.

THE SHOP-IN-SHOP IDEA IS ONE OF OUR STRATEGIES' CORNERSTONES

In competition, those who can productively influence the distribution channel will prevail. Development of shop-in-shops concept is one of our growth strategies' cornerstones. We believe that growth can be achieved in both grocery and department stores through close cooperation with our trading partners. We are developing the shop-in-a-shop idea in all our main markets.

We are working towards creating a more complete shopping experience for our consumers. In this manner it's possible to increase the number of impulse purchases in supermarkets especially. We've had good results, for example, in Holland, where we opened six shops-in-shops during the year under review. All in all, the year 2000 saw the implementation of more than 20 shop-in-shop concepts in Finland, Sweden, Spain, Holland and the Baltic countries.

IN PRODUCTION WE CONCENTRATE ON KEY TECHNOLOGIES

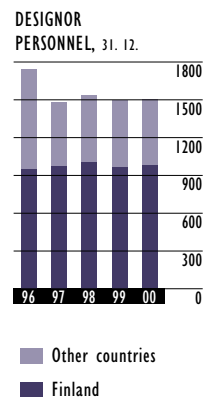
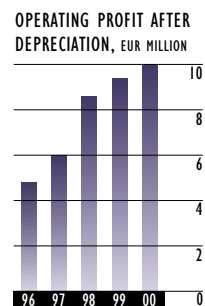
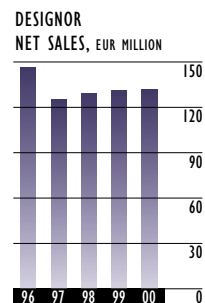
Our investment in improving industrial competitiveness means that in our own production we will concentrate on key technologies. In accordance with our strategy, we are centralizing the production of all steel-based products in Sorsakoski, Finland, where the necessary investments will be completed this spring. The production of aluminum based products is being concentrated at the Moss plant in Norway. The closing of the Klepp, Norway, plant was completed at the end of 2000. In the future we will develop all our industrial operations according to this same sort of logic.

INNOVATIVENESS CONSTITUTES THE ENTIRE ORGANIZATION'S WAY OF THINKING

We are constantly developing our organization on the basis of our target values. We want to make innovativeness our most important competitive advantage. It has become customary to combine innovativeness with only design and product development. At Designor, however, innovativeness constitutes the entire organization's way of thinking and attitude - an attitude that we want to reflect in everything we do.

By creating this change we change the perception about our whole industry. The objective is ambitious: it calls for a genuine revolution in culture, and for commitment of all personnel. We will best reach our objective by anchoring our values as a tangible part of our new operating culture.

¹⁾ The following Hackman tools®, products received the Good Design Award: the Lovegrove 2000 cookware, Citterio Collective tools 2000, the Lindfors 98 salad bowl and servers, the Seth-Andersson 98 bowls and salad servers, the Citterio 2000 flatware, the Citterio 98 flatware, Koskinen 2000, and the Piano Workshop 98 flatware.





Jonas Bohlin – Qvint

Å
Rörstrand



HACKMAN®

Antonio Citterio – Hackmann tools®



Metos develops and produces customer-oriented services, systems and individual products for superior food and beverage production, for the needs of professional kitchens.

GROWTH AND INTERNATIONALIZATION CONTINUED IN 2000

The rapid growth that began five years ago has continued. Our net sales have almost tripled since 1995. About half of the growth has been organic, the rest originating via corporate acquisitions.

The most significant event of 2000 was the purchase of Italy's Olis S.p.A. and Polaris S.p.A. The firms were consolidated in April. They account for slightly less than 20 percent of the Metos Group's 28 percent overall growth. With the acquisition of Olis and Polaris, the range of Metos-brand products has been complemented, so that it now covers the most important needs of professional kitchens.

Internationalization has progressed in a promising fashion. We are one of Europe's top five firms in the sector. Our strategic objective is to strengthen our market position in Europe. In the future, Finland's share of net sales will drop below one quarter, and we will be an important supplier in more and more countries.

The bulk of organic growth likewise came from outside the Nordic countries. We increased exports of Metos-brand products to importers and distributors and benefited from distribution synergies. Product development has brought many new products onto the market in recent years.

At the end of 1999, with the reawakening of demand in Russia and Eastern Europe, the European market clearly recovered. In a number of product and market areas, demand grew by more than 10 percent in the first half of the year. After summer, however, demand slackened, as many customers shifted their investment decisions to the end of the year. We assume that that factor will make itself visible in invoicing in early 2001.

END-USER OPERATIONS AND OUR METOS-BRAND PRODUCTS AND MANUFACTURING ARE THE PILLARS OF OUR BUSINESS

Our operations are divided into two main areas: our Metos-brand products and manufacturing, and end-user operations.

We develop and manufacture products whose international distribution is handled by importers and distributors. Our objective is to be the sector's leading supplier - the best global supplier - of these products in our market area. In Holland we are already about to achieve the position of market leader in dishwashing machines for professional kitchens. We are one of the three major international suppliers of dishwashing machines for in-flight catering at airports. Our production is concentrated in Italy, Finland and Sweden. In order to benefit from the opportunities presented in areas near Finland, we have commenced manufacturing - of labor-intensive products especially - in Tallinn, Estonia. Experiences to date have been good.

End-user operations, which rely on Metos's marketing and logistics concept, aim at the position of best local supplier of professional kitchens in selected markets. We offer comprehensive customer service covering everything from individual pieces of equipment to complete kitchen systems and after-sale

METOS, EUR MILLION	2000	1999
Net Sales	142.9	112.0
Outside Finland	100.1	68.1
Operating result after depreciation	9.7	7.5
% of net sales	6.8	6.7
Investments	16.7	4.8
RNA %	18.9	19.1
Personnel, average	1 081	808
Outside Finland	711	440



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



responsibility that spans the product's life cycle. The customer identifies our end-user operations with the Metos brand. End-user operations represent the most important distribution channel for Metos-brand products – thanks not only to the volume of the operations, but also to the valuable customer feedback they provide for the development of those products. Metos's own end-user operations are located in Finland, Sweden, Norway, Russia, Estonia, Latvia, Lithuania, France and since the acquisition of ICS N.V. in January 2001 also in Belgium.

New construction stimulated end-user operations in Finland and Sweden in particular. The home meal replacement (HMR) trend increased demand especially in Sweden, where the preparation of food in grocery stores, for taking home or eating on the spot, has already become common. Public-sector demand demonstrated its traditional firmness during the year under review. Demand in the Baltic countries and Russia is recovering.

INVESTMENTS AND DEVELOPMENT

During the year under review, we particularly invested in the development of IT and marketing systems, in addition to corporate acquisitions. We launched Finnish- and Swedish-language versions of our dynamic web sites. Web services in English and Norwegian are coming on-line next.

In product development, the key development objectives are to increase multifunctional features and the modularization of parts, and to make use of electronics. In production we are concentrating on reducing turnaround times, and on simplifying product structures by decreasing the number of components.

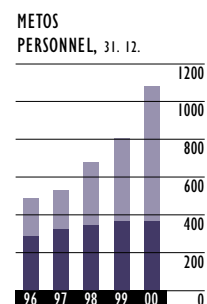
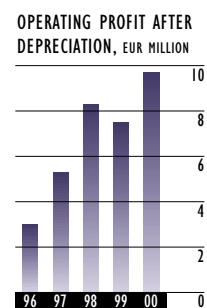
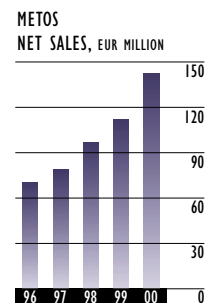
2000 BROUGHT CHALLENGES FOR PROFITABILITY

The year under review was, in many respects, challenging from the standpoint of results. The price of stainless steel increased 70 percent from 1999's level, placing substantial cost pressures on products. Taking increased personnel costs, the rising price of energy and a substantial increase in interest rates into account, too, compensating for all these inflationary factors proved a challenging task. The situation was not relieved by uneven demand, which faded noticeably after a vigorous first half of the year. Thanks however to increased volume, improvement in productivity, and the cost savings generated by structural changes in prior years, profit increased by 30 percent - somewhat more than the growth in net sales.

Forecasts call for demand to be steadier and more controlled in 2001 than in the year under review. The forecasts support our expectations of a continuation in our organic growth.

New products in 2000

- Metos Proveno combi kettle
- Metos WD granule pot and pan washer
- Metos Proff food distribution system
- Metos ICS+ energy and cost optimization system for tunnel dishwashing machines
- In Italy, updated line of dishwashing machines (Dihl)
- New combi oven (Olis)



Other countries
Finland



Other Functions

Our concentration on two main divisions and our withdrawal from other operations represent part of the strategy we have chosen. In accordance with that strategy, we sold the TTT Division at the end of 2000. In the Group's financial statements, the figures for TTT's 2000 operations are consolidated under other functions. TTT is known worldwide as a leading supplier of wood-cutting blades to sawmills, the pulp industry, and the wood-based panels industry.

The Eurotanks Division, which specialized in milk-refrigeration technology, is in the exit process. Wedholms AB in Sweden, another part of the Eurotanks division, was sold in April. The provisions made in the 1999 financial statements are covering the costs stemming from these arrangements, as well as operating costs. Eurotanks' operations are not any longer included in the HackmanGroup consolidation.

The Hadwaco Division's Process Equipment Business Area was sold in February 2000. Hadwaco's volume of orders in hand for water treatment systems was weak throughout the year under review. During the year we concentrated on the after-sale servicing of earlier deliveries, primarily to ensure the systems' technical performance capabilities. This caused us significant added expense. At the moment, Hadwaco has a total of 20 pieces of equipment installed in various parts of the world. The equipment's performance has been brought up to the customers' specifications, even although the operating conditions have had fluctuations exceeding the initial values.

As part of the preparations for broadening Hadwaco's ownership base, we have clarified the company's key expertise, the organizational division of labor, and future areas of development and investment. The purpose of the arrangements is to concentrate all the evaporation technology, which is based on applicable patents, in Hadwaco. We are attempting to secure external solution for the development of operations in the next few years.

PROPERTY MANAGEMENT

The HackmanGroup's balance sheet includes real-property items that are not part of actual business operations. These items include such things as forests and other land, whose yield on capital is low. Naturally, these items also affect the achievement of the yield objectives established for the HackmanGroup as a whole. We wish to keep the yield on this capital separate from the HackmanGroup's administrative expenses, so as to clarify the monitoring of both yields and expenses.

In 2000 we sold timber from our forests only on a forest-management basis. We sold platted shorefront lots in accordance with demand. We will continue to actively develop long-term possibilities for increasing the value of our real-property items.

TTT, EUR MILLION	2000	1999
Net Sales	16.1	18.2
Outside Finland	8.9	11.3
Operating result after depreciation	0.6	0.5
% of net sales	3.7	2.9
Investments	0.7	0.8
RNA %	-*	4.8
Personnel, average	164	216
Outside Finland	3	34

* Assets and business were sold in December

HADWACO, EUR MILLION	2000	1999
Net Sales	3.0	9.2
Outside Finland	1.0	4.0
Operating result after depreciation	-2.8	-4.6
% of net sales	-93.2	-49.6
Investments	0.0	0.5
RNA %	-32.7	-29.5
Personnel, average	25	125
Outside Finland	0	0

Report by the Board of Directors

The core business, Designor and Metos, accounted for 87.1% (79.3%) of total net sales. Operating result improved by EUR 5.5 million to EUR 13.3 million and return on net assets was 8.0% (4.7%).

HackmanGroup's net sales increased by 3.0% to EUR 315.8 million (1999: EUR 306.6 million). The Group's operating result was EUR 13.3 million (EUR 7.8 million), and the result after financial items was EUR 8.3 million (EUR 2.8 million). The Board of Directors proposes that a dividend of EUR 0.50/share is to be paid for 2000 (EUR 0.42/share).

CHANGES IN THE GROUP STRUCTURE

The concentration of the HackmanGroup structure into two operational divisions is completed. In March Hadwaco Ltd Oy sold its process business area to Finnish YIT Teollisuus Oy and Hackman Wedholms AB was sold to its management. Metos concluded its acquisition of the Italian Olis Group in April. The assets and business of the TTT Division were sold to investors and the management of the company in December. The Eurotanks Divisions remaining French operations are in the exit process. The division is not included any longer in the HackmanGroup consolidation.

NET SALES

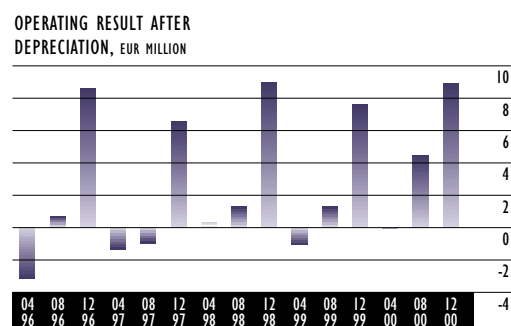
Net sales of the core business, Metos and Designor, increased by 13.1%. The HackmanGroup's net sales increased by 3.0%. Exports and international operations accounted for 64.3% of net sales (60.6%). The value of unshipped orders was EUR 28.7 million, which is EUR 1.7 million higher than at the end of 1999.

RESULT

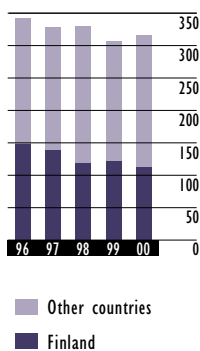
The Group's gross margin was 30.8% of net sales (29.1%). The operating result was EUR 13.3 million (EUR 7.8 million). The result before extraordinary items improved by EUR 5.5 million to EUR 8.3 million (EUR 2.8 million). The improvement is mainly due to better profitability in the core business and exits in low margin and loss making business.

Other operating income totaling EUR 3.3 million (EUR 4.1 million), includes refunded pension premiums (SPP) in Sweden EUR 1.7 million and EUR 0.8 million (EUR 0.9 million) gains from sales of fixed assets.

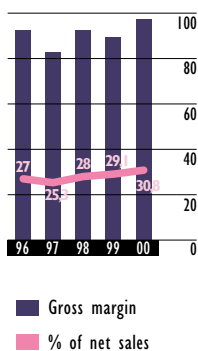
Other operating expenses totaling EUR 11.4 million



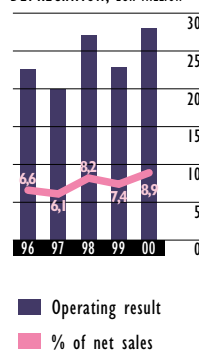
NET SALES, EUR MILLION



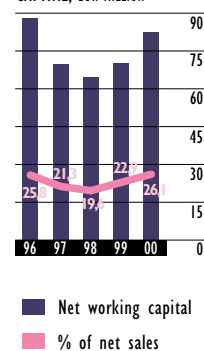
GROSS MARGIN, EUR MILLION



OPERATING PROFIT BEFORE DEPRECIATION, EUR MILLION



NET WORKING CAPITAL, EUR MILLION



(EUR 12.3 million) include EUR 8.8 million (EUR 8.7 million) research and development expenses.

Income and expenses arising from major restructuring and divestitures are shown as extraordinary items. The extraordinary expenses totaled EUR -1.5 million (EUR -17.3 million). Amounts provided for, EUR 13.6 million in the 1999 financial statements for restructuring and reorganization expenses, have been released with EUR 11.6 million to correspond to the factual expenses. A new allocation of EUR 1.9 million for restructuring has been made.

The result before appropriations and taxes was EUR 6.8 million (EUR -14.5 million), or EUR 21.3 million better than in 1999.

Taxes for the period were a net income of EUR 0.7 million (EUR 2.5 million). The Group's deferred tax liability decreased by EUR 0.4 million (EUR 0.8 million). The deferred tax refund has been entered in its probable amount. The refund concerns mainly Finland and is increased by EUR 3.3 million (EUR 2.7 million). The result after financial items, taxes and minority interest was EUR 7.5 million (-12.2 million).

REVIEW OF DIVISIONS

Designer's net sales totaled EUR 132.1 million (EUR 131.2 million). The operating result was EUR 10.0 million, an improvement of EUR 0.6 million compared to last year (EUR 9.4 million). The cookware production centralization project to Sorsakoski, Finland and Moss, Norway was delayed due to Norwegian authorities but has now been completed.

Metos' net sales increased by 27.5% to EUR 142.9 million

(EUR 112.0 million). The operating result EUR 9.7 million was EUR 2.2 million better than previous year (EUR 7.5 million). The investment in Olis Group has had a positive impact both to the sales volume and the operating result.

NON-CORE ACTIVITIES

TTT's business was sold to investors and the management of the company in December.

Negotiations for Hadwaco's ownership structure are in progress.

The Eurotanks Division's remaining French operations are in the exit process. The division is not included any longer in the Group consolidation.

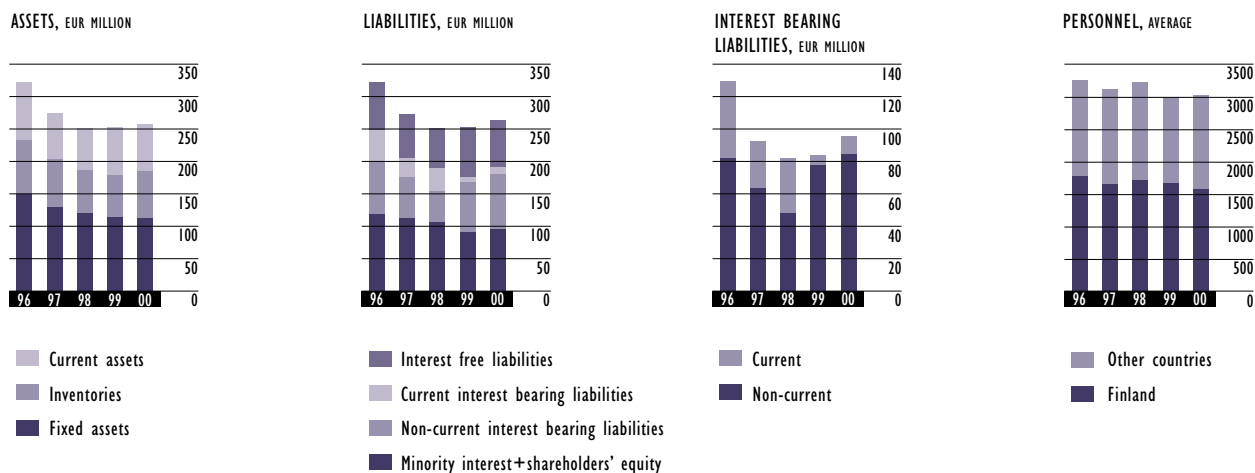
The Group's residual financial exposure related to non-core activities is limited.

INVESTMENT AND FINANCING

The Group's gross investments totaled EUR 25.3 million (EUR 14.7 million), of which EUR 11.6 million (EUR 1.3 million) represented goodwill.

The Group's net working capital at year's end was EUR 82.3 million, or 26.1% of net sales (EUR 70.2 million, 22.9%). The Group's cash position was good throughout the year. Interest-bearing liabilities at the end of December totaled EUR 95.3 million (EUR 83.9 million).

At the turn of the year, the Group owned 16,876 hectares of forest, 112 hectares of waterfront property, 72 hectares of industrial property and 10 hectares of residential property. The total balance sheet value of this property was EUR 36.6 million (EUR 36.8 million).



SOLVENCY

The Group's shareholders' equity at the end of 2000 totaled EUR 95.1 million (EUR 90.7 million), corresponding to EUR 21.62 per share (EUR 20.60 per share). Voluntary reserves have been allocated to shareholders' equity and deferred tax liability. In calculating the tax liability, each country's tax rate for next year (28-41%) has been applied. The Group's equity ratio was 36.1% (36.1%).

SHARES AND SHAREHOLDERS

According to the book-entry system, Hackman Oyj Abp had 2,419 shareholders as of December 31, 2000. During 2000, 649 671 A shares of Hackman stock, with total value of EUR 7.7 million, changed hands (1 261 750; EUR 21.1 million). The share price reached a highest of EUR 18.80 in January and lowest of EUR 9.06 in October.

OUTLOOK

The concentration of the HackmanGroup structure into two operations is completed. The long term market development is favorable for the products and services of Metos and Designor. Both Metos and Designor work on markets with good long term growth. We believe that Metos and Designor will grow faster than the market and that the Hackman-Group will have a steady improvement of the profitability.

Income Statement

EUR MILLION	Note	Group				Hackman Oyj Abp			
		2000	%	1999	%	2000	%	1999	%
Net sales	1	315.8	100.0	306.6	100.0	0.9	100.0	2.5	100.0
Cost of goods sold	2,3,4	-218.5		-217.3		-0.4		-0.4	
Gross margin		97.3	30.8	89.3	29.1	0.5	50.9	2.1	83.6
Sales and marketing expenses	3,4	-51.6		-50.8		0.0		0.0	
Administrative expenses	3,4,10	-20.8		-19.3		-3.6		-4.9	
Other operating income	5	3.3		4.1		1.0		1.3	
Other operating expenses	4,6,10	-11.4		-12.3		-0.1		-0.3	
Depreciation of group goodwill		-3.5		-3.2		-		-	
		-84.0		-81.5		-2.7		-3.9	
Operating result	7	13.3	4.2	7.8	2.5	-2.2		-1.8	
Financial income and expenses	8	-5.0	-1.6	-5.0	-1.6	2.6		-3.4	
Result before extraordinary items		8.3	2.6	2.8	0.9	0.4		-5.2	
Extraordinary items	9,10	-1.5		-17.3		-0.2		-18.3	
Result before appropriations and taxes		6.8	2.2	-14.5	-4.7	0.2		-23.5	
Appropriations	11	0.0		0.0		0.1		0.1	
Direct taxes	12	0.7		2.5		-0.3		1.2	
Result before minority interests		7.5	2.4	-12.0	-3.9	0.0		-22.2	
Minority interests		0.0		-0.2		0.0		0.0	
Result for the financial year		7.5		-12.2					

Balance Sheet

EUR MILLION	Note	Group		Hackman Oyj Abp	
		2000	1999	2000	1999
Assets					
Fixed and other long-lived assets					
Intangible assets	13	3.7	4.4	0.2	0.2
Group goodwill	13	22.8	14.7	-	-
Goodwill	13	1.4	1.6	-	-
Tangible assets	13	79.9	89.5	38.5	38.9
Investments	14,34	2.5	2.6	2.0	2.0
Shares in associated companies	14,33	0.2	0.3	-	-
Shares in Group companies	14,32	-	-	57.4	51.3
Other investments	14	1.8	0.8	1.2	-
		112.3	113.9	99.3	92.4
Inventories and financial assets					
Inventories	15	72.3	65.1	-	-
Non-current receivables	16,17	1.5	0.3	2.0	0.4
Deferred tax receivables	23	5.9	2.6	-	-
Current receivables	16,17	65.1	60.5	80.4	81.4
Current financial assets	18	0.7	0.5	0.7	0.5
Cash and bank deposits		6.0	9.1	2.0	2.5
		151.5	138.1	85.1	84.8
		263.8	252.0	184.4	177.2
Liabilities and shareholders' equity					
Shareholders' equity					
Share capital	19	15.0	15.0	15.0	15.0
Contingency fund	19	26.0	26.0	22.1	22.1
Revaluation fund	19	13.0	13.0	12.9	12.9
Other funds	19	-	-	19.9	19.9
Retained earnings	19	33.6	48.9	20.2	44.2
Net result for the financial year	19	7.5	-12.2	0.0	-22.2
	19,20	95.1	90.7	90.1	91.9
Appropriations	21	-	-	0.7	0.8
Provisions	22	8.2	17.5	1.0	0.7
Liabilities					
Deferred tax liability	23	1.4	1.7	-	-
Non-current liabilities	24,25,31	88.7	77.9	56.9	48.6
Current liabilities	26,27,31	70.4	64.2	35.7	35.2
		160.5	143.8	92.6	83.8
		263.8	252.0	184.4	177.2

Cash Flow Statement

EUR MILLION	Group		Hackman Oyj Abp	
	2000	1999	2000	1999
Income from operations				
Operating result after depreciation	13.4	7.8	-2.2	-1.8
Depreciation	14.7	15.0	0.3	0.3
Financial income and expenses	-5.0	-5.0	2.6	-3.4
Extraordinary items	-1.5	-13.5	9.9	8.8
Taxes	0.7	2.5	-0.3	1.2
Income from operations	22.2	6.8	10.3	5.1
Increase (-) / decrease (+) in inventories	-7.1	1.2	-	-
Increase (-) / decrease (+) in current receivables	-9.2	-9.5	-17.4	-6.4
Increase (+) / decrease (-) in short-term non-interest bearing liabilities	1.9	2.3	10.3	1.9
Change in net working capital	-14.4	-6.0	-7.1	-4.5
Increase (+) / decrease (-) in provisions	-9.4	13.3	0.3	0.3
Cash flow from operations	-1.6	14.1	3.6	0.9
Investments in fixed assets	-25.3	-14.7	-9.4	-1.0
Income from sale of fixed assets	13.1	1.8	0.5	0.1
Cash flow before financing	-12.2	-12.9	-8.8	-0.9
Cash flow before financing	-13.8	1.2	-5.3	0.0
Increase (-) / decrease (+) in non-current receivables	-0.9	0.7	8.4	-4.0
Increase (+) / decrease (-) in non-current debt	10.5	28.4	8.3	26.8
Increase (+) / decrease (-) in current debt	4.4	-27.1	-9.9	-19.1
Dividend payments	-1.9	-1.8	-1.9	-1.8
Increase (+) / decrease (-) in minority interest	0.0	-2.8	-	-
Cash flow from financing	12.0	-2.6	4.9	1.9
Cash flow after financing	-1.8	-1.4	-0.3	1.9
Adjustments	-1.1	0.7	-	-
Increase (+) / decrease (-) in liquid assets	-2.9	-0.7	-0.3	1.9

Accounting Principles

The statements have been prepared in euros.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements cover the parent company and all those companies in which the Group, directly or indirectly, has a over half of the voting rights. The accounts of new Group companies are incorporated into the Group's reporting from the acquisition date. The accounts of divested companies are included in the Group's financial statements up to the day of divestiture.

Intra-Group transactions are eliminated from the reporting. Elimination of Group share ownership is carried out by the acquisition cost method. The value of the shares of subsidiaries has accordingly been balanced against subsidiary equity at the date of acquisition. In eliminating the shareholders' equity of subsidiaries, also the share of untaxed reserves at the date of acquisition excluding the deferred tax liability is considered as shareholders' equity. The difference between the acquisition price of the shares and the total value of the subsidiary is recorded under fixed assets or Group goodwill. Goodwill is depreciated straight-line over five or ten years. In the case of depreciation for goodwill that involves augmentation of a product line, the depreciation is taken over ten years, in view of their long-term strategic significance.

Associated companies are consolidated using the equity method. The percentage of the associated companies' financial result that conforms to the Group's holding are recorded in the Group's income statement as a financial item.

FOREIGN SUBSIDIARIES

The income statements of subsidiaries outside Finland are translated into euro using the average exchange rates. The balance sheets are translated using the exchange rates quoted on the date of the financial statements. The resulting translation differences have been entered under shareholders' equity. The conversion discrepancy related to subsidiary equity and arising from the difference between the year-end exchange rate and the exchange rate at the date of acquisition, has been eliminated by carrying the difference directly under the Group's equity.

The Group protects the equity of subsidiaries outside Finland by the so-called equity-hedging method. The rate-of-exchange discrepancies applicable to the hedging in the Group's consolidated financial statements are entered under equity against the conversion discrepancy related to subsidiary equity.

FOREIGN-CURRENCY ITEMS

Receivables and liabilities denominated in foreign currencies have been valued using the exchange rate quoted on the balance sheet date. Exchange rate differences arising from the valuation of receivables and liabilities are entered in the income statement under financial exchange rate differences. Unhedged transactions denominated in foreign currency are recorded at the rates prevailing on the transaction dates and hedged transactions are recorded at the hedged rate.

The Group hedges its exposure in foreign currencies with derivatives. The interest element applicable to the derivatives is accrued as interest income or expense over the period to maturity, and the exchange rate differences are recorded under financial exchange rate differences. Open hedging instruments are valued according to the exchange rate quoted on the balance sheet date and are recorded in the income statement, with the exception of foreign-exchange gains or losses on instruments that hedge the Group's future cash flow; these are entered in the income statement once the underlying income or expense occurs.

NET SALES

Net sales is calculated as gross sales revenue minus, among other things, indirect sales taxes and discounts.

RESEARCH AND DEVELOPMENT EXPENSES

All research and development expenses have been charged against the year they occurred.

PENSION ARRANGEMENTS

In Finland, statutory pension insurance is handled through pension insurance companies. Non-current pension liabilities predating the current pension legislation were entered under extraordinary expenses in the income statement and under mandatory reserves in the balance sheet. In non-Finnish subsidiaries, insurance has been provided in accordance with the legislation and practices prevailing in each country. Pension liabilities which have not been accounted for as extraordinary expenses in the income statement or as mandatory reserves in the balance sheet have been presented as other liabilities external to the balance sheet. The Group does not have its own pension fund.

WARRANTY EXPENSES

The estimated future warranty expenses of delivered products have been entered as current liabilities. Actual warranty expenses, reckoned as the change in warranty liability, have been charged against the net result for the year.

INVENTORY VALUATION

Inventories are valued according to their acquisition price, resale price or probable selling price, whichever is lowest, using the FIFO principle. The value of the inventories of the Group companies includes the indirect costs of acquisition and manufacturing, as well as the direct cost of acquisition.

VALUATION AND DEPRECIATION OF FIXED ASSETS

Fixed assets are capitalized using their original acquisition price minus planned depreciation. The balance sheet values of land and buildings include revaluations. The Group companies have not capitalized interest expenses under fixed assets. Planned depreciation has been calculated straight-line on the basis of the original acquisition cost and the asset's economic lifetime, as follows:

- Buildings 20-30 years
- Machinery and equipment 5-10 years
- Other 3- 5 years
- Roads 40 years

Land and water areas are not depreciated.

LEASING

Leasing costs are carried as rental expenses. The lease agreement's remaining contractual term and possible remaining value are presented as a lease liability. Property under financial lease is reported as lease liabilities and the important financial-lease properties are presented in the notes to the financial statements.

REVALUATION

Pre-1974 revaluations of land areas are included in the book value for those land areas, while revaluations made since 1974 are presented as a separate item in the balance sheets, under tangible assets. The counter item is the revaluation fund. At the date of sale the revaluations of the land areas are eliminated.

EXTRAORDINARY INCOME AND EXPENSES

Income and expenses originating in significant structural changes and divestitures external to actual operations as well as changes to accounting principles are presented as extraordinary income and expenses.

APPROPRIATIONS

The appropriations consist of voluntary reserves and accumulated depreciation. In the Group income statement, the change in the Group companies' appropriations are allocated to the result for the period and to the change in deferred tax liability. In the Group balance sheet, the Group companies' appropriations are allocated to the shareholders' equity and the deferred tax liability. The portion of the appropriations entered under shareholders' equity is not included in the Group's distributable assets.

MANDATORY RESERVES

Items which constitute contractual or otherwise binding obligations, but which have not yet been liquidated, are presented in the balance sheet as mandatory reserves. These may include such things as the Group's uncovered pension liability and expenses of restructuring. Changes in mandatory reserves are incorporated into the income statement.

INCOME TAXES

In the income statement, taxes on Group companies income for the period on the basis of local tax regulations, adjustments in taxes for prior periods and deferred taxes, are entered as income taxes. Taxes falling under extraordinary items are described in the notes to the financial statements.

A deferred tax liability or refund is calculated for temporary discrepancies between the tax assessment and the financial statement, utilizing the tax rate approved for upcoming years as of the balance sheet date. The balance sheet includes the deferred tax liability in its entirety, while the deferred tax refund is calculated according to the estimated probable size of the refund.

Notes to the Financial Statements

Income statement	EUR MILLION	Group		Hackman Oyj Abp	
		2000	1999	2000	1999
I. Net sales	Net sales by division				
	Designor	132.1	131.2	-	-
	Metos	142.9	112.0	-	-
	Total	275.0	243.2	-	-
	Eurotanks	20.8	33.5	-	-
	Hadwaco	3.0	9.2	-	-
	TTT	16.1	18.2	-	-
	Group functions and others	1.2	2.6	0.9	2.5
	Internal eliminations	-0.3	-0.1	-	-
	Total	315.8	306.6	0.9	2.5
	Net sales by country				
	Finland	163.2	166.7	0.9	2.5
	Sweden	72.0	75.2	-	-
	Norway	33.2	32.7	-	-
	Denmark	8.0	8.4	-	-
	The Netherlands	7.8	6.8	-	-
	France	21.2	28.6	-	-
	Germany	1.2	1.8	-	-
	Italy	47.5	18.8	-	-
	Estonia	3.4	2.2	-	-
	Poland	0.8	0.9	-	-
	Hungary	1.9	1.7	-	-
	Latvia	0.3	0.3	-	-
	Lithuania	0.2	0.2	-	-
	Russia	1.4	0.8	-	-
	USA	4.3	7.4	-	-
	Internal eliminations	-50.6	-45.9	-	-
	Total	315.8	306.6	0.9	2.5
	Net sales by market area				
	Nordic Countries	205.7	215.0	0.9	2.5
	Other Europe	88.3	71.8	-	-
	North America	6.1	8.9	-	-
	Other	15.7	10.9	-	-
	Total	315.8	306.6	0.9	2.5
2. Materials and services	Raw materials and supplies				
	Purchases	114.1	95.6	0.0	0.0
	Changes in inventories	-9.2	2.1	-	-
	Total	104.9	97.7	0.0	0.0
	External services	9.6	11.6	0.2	0.2
	Total	9.6	11.6	0.2	0.2
3. Personnel expenses	Wages and Salaries	70.8	72.5	1.4	1.5
	Pension expenses	10.7	13.4	0.4	0.5
	Other personnel expenses	22.9	18.3	0.4	0.5
	Total	104.4	104.2	2.2	2.5
Compensation to the Board and CEO	Chief Executive officer and Members of the Board	2.3	2.1	0.4	0.4
Amount of personnel	In average				
	Designor	1 504	1 494	-	-
	Metos	1 081	808	-	-
	Eurotanks	225	322	-	-
	Hadwaco	25	125	-	-
	TTT	164	216	-	-
	Group functions and others	23	26	21	24
	Total	3 022	2 991	21	24

	2000	Group 1999	Hackman Oyj Abp 2000	1999
Dec. 31.				
Designor	1 480	1 500	-	-
Metos	1 080	819	-	-
Eurotanks	-	323	-	-
Hadwaco	26	98	-	-
TTT	-	178	-	-
Group functions and others	24	25	22	24
Total	2 610	2 943	22	24

Amount of personnel by country Dec. 31.

Finland	1 389	1 627	22	24
Sweden	479	525	-	-
Norway	176	212	-	-
Denmark	19	20	-	-
The Netherlands	25	25	-	-
France	4	289	-	-
Italy	368	117	-	-
Germany	-	3	-	-
Estonia	36	31	-	-
Latvia	4	4	-	-
Lithuania	3	3	-	-
Poland	-	2	-	-
Hungary	93	76	-	-
Russia	5	2	-	-
USA	9	7	-	-
Total	2 610	2 943	22	24

4. Depreciation according to plan	Depreciation by function				
	Cost of goods sold	7.3	7.6	0.0	0.0
	Sales and marketing	1.2	1.1	-	-
	Administration	2.5	1.9	0.2	0.3
	Other operating expenses	0.2	1.2	-	-
	Total	11.2	11.8	0.2	0.3
	Group Goodwill	3.5	3.2	-	-
Total	14.7	15.0	0.2	0.3	
5. Other operating income	Rental income	0.5	0.7	0.3	0.6
	Gains on sale of fixed assets	0.8	0.9	0.6	0.3
	Compensation for damages	0.0	0.8	-	-
	Refunded pension premiums (SPP)	1.7	0.0	-	-
	Others	0.3	1.7	0.1	0.4
	Total	3.3	4.1	1.0	1.3
6. Other operating expenses	Research and development	8.8	8.7	-	-
	Others	2.6	3.6	0.1	0.3
	Total	11.4	12.3	0.1	0.3
7. Operating result by division	Designor	10.0	9.4	-	-
	Metos, *	9.7	7.5	-	-
	Total	19.7	16.9	-	-
	Eurotanks	0.0	-0.9	-	-
	Hadwaco	-2.8	-4.6	-	-
	TTT	0.6	0.5	-	-
	Group functions and others	-3.2	-2.1	-2.2	-1.8
	Internal eliminations	-1.0	-2.0	-	-
	Total	13.3	7.8	-2.2	-1.8

* Allocation of goodwill changed.

The corresponding figures for previous year have been adjusted accordingly.

		Group		Hackman Oyj Abp	
		2000	1999	2000	1999
8. Financial income and expenses	Dividend income				
	From Group companies	-	-	2.0	0.3
	From others	0.1	0.0	0.1	0.0
	Total	0.1	0.0	2.1	0.3
	Interest income from long-term investments				
	From others	0.0	0.0	-	-
	Total	0.0	0.0	0.0	0.0
	Total income from long-term investments	0.1	0.0	2.1	0.3
	Other interest- and financial income				
	From Group companies	-	-	3.8	2.8
	From others	0.6	0.6	1.3	0.2
	Total	0.6	0.6	5.1	3.0
	Total interest income from long-term investments and other interest- and financial income	0.7	0.6	7.2	3.3
	Interest expenses and other financial expenses				
	To Group companies	-	-	-0.9	-0.4
To others	-5.7	-5.6	-3.7	-6.3	
Total	-5.7	-5.6	-4.6	-6.7	
Total financial income and expenses	-5.0	-5.0	2.6	-3.4	
Interest expenses and other financial expenses includes exchange rate difference (net)	0.5	-0.3	0.6	-2.8	
9. Extraordinary items	Extraordinary income				
	Gains on sale fixed assets	-	-	-	-
	Gains on sale of forest and land	-	-	-	-
	Group contribution	-	-	10.2	9.1
	Total	0.0	0.0	10.2	9.1
	Extraordinary expenses				
	Restructuring expenses	-1.5	-16.6	-10.4	-27.1
	Pension liabilities	0.0	-0.7	-	-
	Others	-	-	0.0	-0.3
	Total	-1.5	-17.3	-10.4	-27.4
Total extraordinary items	-1.5	-17.3	-0.2	-18.3	
10. Change in provisions	Administrative expenses	0.2	0.1	-0.1	0.1
	Other operating expenses	-0.6	-1.0	0.0	-0.3
	Extraordinary items	9.8	-12.4	0.3	-
	Total	9.4	-13.3	0.2	-0.2
11. Appropriations	Change in accumulated depreciation in excess of plan	-	-	0.1	0.1
	Total	-	-	0.1	0.1
12. Direct taxes	On ordinary activities, financial year	-3.1	-2.5	-0.3	-0.8
	On extraordinary items, financial year	-	-	-	-
	Change in deferred tax	3.8	3.4	-	-
	From earlier periods	0.0	1.6	0.0	2.0
	Total	0.7	2.5	-0.3	1.2

Notes to the balance sheet

13. Fixed assets
Intangible assets

Group

	Research and development	Intangible rights	Other long-lived assets	Group Goodwill	Goodwill	Total
Acquisition value Jan. 1, 2000	2.1	3.9	12.3	32.0	1.9	52.2
Conversion discrepancy	-	0.0	0.0	-0.1	0.0	-0.1
Investments	-	0.8	0.5	11.6	-	12.9
Disposals	-	-0.9	-0.3	-0.3	-	-1.5
Completely depreciated	-2.1	-0.3	-0.7	-14.3	0.6	-16.8
Category transfer	-	-	-	-	-0.2	-0.2
Acquisition value						
31.12.2000	0.0	3.5	11.8	28.9	2.3	46.5
31.12.1999	2.1	3.9	12.3	32.0	1.9	52.2
Accumulated depreciation and reductions in value						
Jan. 1, 2000	-2.1	-2.6	-9.2	-17.3	-0.3	-31.5
Conversion discrepancy	-	-	0.0	-	0.0	0.0
Accumulated depreciation in disposals and transfers	-	0.7	0.1	0.4	-	1.2
Depreciation during the year	-	-0.5	-1.0	-3.5	-0.2	-5.2
Completely depreciated	2.1	0.3	0.7	14.3	-0.5	16.9
Category transfer	-	-	-0.1	-	0.1	0.0
Accumulated depreciation						
31.12.2000	0.0	-2.1	-9.5	-6.1	-0.9	-18.6
31.12.1999	-2.1	-2.6	-9.2	-17.3	-0.3	-31.5
Book value						
31.12.2000	0.0	1.4	2.3	22.8	1.4	27.9
31.12.1999	0.0	1.3	3.1	14.7	1.6	20.7

Tangible assets
Group

	Forest, land & water	Buildings	Machinery and equipment	Other tangible assets	Prepayments	Total
Acquisition value Jan. 1, 2000	15.1	30.8	104.7	2.0	1.5	154.1
Conversion discrepancy	0.0	-0.3	-0.8	-	-	-1.2
Investments	0.0	0.6	9.6	0.6	1.2	12.0
Disposals	0.0	-5.4	-22.9	-0.3	0.0	-28.6
Completely depreciated	-	0.0	-4.7	-0.2	-	-4.9
Category transfer	-	-	1.5	-	-1.5	0.0
Acquisition value						
31.12.2000	15.1	25.7	87.4	2.1	1.2	131.4
31.12.1999	15.1	30.8	104.7	2.0	1.5	154.1
Accumulated depreciation and reductions in value						
Jan. 1, 2000	0.0	-9.9	-75.1	-1.3	0.0	-86.3
Conversion discrepancy	0.0	0.1	0.7	-	-	0.8
Accumulated depreciation in disposals and transfers	-	1.7	15.0	0.2	-	16.9
Depreciation during the year	-	-1.3	-8.1	-0.2	-	-9.6
Completely depreciated	-	0.0	4.7	0.2	-	4.9
Accumulated depreciation						
31.12.2000	0.0	-9.4	-62.8	-1.1	0.0	-73.3
31.12.1999	0.0	-9.9	-75.1	-1.3	0.0	-86.3
Revaluation	21.6	0.1	-	-	-	21.7
Book value						
31.12.2000	36.7	16.4	24.6	1.0	1.2	79.9
31.12.1999	36.8	20.9	29.6	0.7	1.5	89.5
Machinery and equipment used in production						
31.12.2000			18.1			
31.12.1999			22.5			

Fixed assets
Intangible and Tangible assets

Hackman Oyj Abp

	Other long-lived assets	Total intangible	Forest, land & water	Buildings	Machinery and equipment	Other tangible assets	Total tangible
Acquisition value	0.6	0.6	14.5	3.8	0.7	0.3	19.3
Investments	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Disposals	-	-	-0.1	-0.1	0.0	-	-0.2
Acquisition value							
31.12.2000	0.6	0.6	14.4	3.7	0.7	0.3	19.1
31.12.1999	0.6	0.6	14.5	3.8	0.7	0.3	19.3
Accumulated depreciations Jan 1, 2000	-0.4	-0.4	0.0	-1.5	-0.5	0.0	-2.0
Depreciation during the year	0.0	0.0	-	-0.1	-0.1	0.0	-0.2
Accumulated depreciation							
31.12.2000	-0.4	-0.4	0.0	-1.6	-0.6	0.0	-2.2
31.12.1999	-0.4	-0.4	0.0	-1.5	-0.5	0.0	-2.0
Revaluation after year 1974	0.0	0.0	21.6	0.0	0.0	0.0	21.6
Book value							
31.12.2000	0.2	0.2	36.0	2.1	0.1	0.3	38.5
31.12.1999	0.2	0.2	36.1	2.3	0.3	0.3	38.9

14. Investments Group

	Shares in associated companies	Other shares	Other receivables	Other investments	Total
Acquisition value Jan.1.2000	0.3	2.6	0.6	0.2	3.7
Conversion discrepancy	-	-	-	-	0.0
Increase	-	0.3	1.2	-	1.5
Decrease	-0.1	-0.4	-	-0.2	-0.7
Acquisition value/Book value					
31.12.2000	0.2	2.5	1.8	0.0	4.5
31.12.1999	0.3	2.6	0.6	0.2	3.7

Hackman Oyj Abp

	Shares in Group companies	Other shares	Other receivables	Total
Acquisition value Jan.1.2000	51.3	2.0	0.0	53.3
Increase	8.9	0.0	1.2	10.1
Decrease	-2.8	0.0	-	-2.8
Acquisition value/Book value				
31.12.2000	57.4	2.0	1.2	60.6
31.12.1999	51.3	2.0	0.0	53.3

		Group	Hackman Oyj Abp		
		2000	1999	2000	1999
15. Inventories	Raw materials and supplies	19.8	19.3	-	-
	Work in progress	16.0	11.6	-	-
	Finished goods	31.6	30.5	-	-
	Prepayments	0.0	0.0	-	-
	Other inventories	4.9	3.7	-	-
	Total	72.3	65.1	0.0	0.0
16. Receivables					
Non-current	Accounts receivables Group				
	Loan receivables	-	-	1.8	0.1
		-	-	1.8	0.1
	Other				
	Loan receivables	-	-	-	-
	Prepayments and accrued income	0.2	0.2	-	-
	Other receivables	1.3	0.1	0.2	0.3
		1.5	0.3	0.2	0.3
	Total	1.5	0.3	2.0	0.4
Current	Receivables from Group				
	Accounts receivables	-	-	0.3	0.3
	Loan receivables	-	-	61.7	46.4
	Prepayments and accrued income	-	-	13.1	4.8
	Other receivables	-	-	0.8	28.2
		-	-	75.9	79.7
	Other				
	Accounts receivables	49.0	51.4	0.4	1.6
	Loan receivables	3.0	0.6	0.0	-
	Prepayments and accrued income	6.2	6.9	2.0	0.1
	Other receivables	6.9	1.6	2.1	-
		65.1	60.5	4.5	1.7
	Total	65.1	60.5	80.4	81.4
17. Material items in prepayments and accrued income	Dividend	-	-	2.0	4.2
	Prepaid expenses	0.3	2.0	-	-
	Income tax receivables	0.9	0.5	0.8	-
	Partial payment receivables	1.0	0.0	-	-
	Accrued exchange contracts	1.0	0.0	1.3	-
	Other	3.2	4.6	11.0	0.6
	Total	6.4	7.1	15.1	4.8
18. Market value of current financial assets	Market value	0.7	0.5	0.7	0.5
	Corresponding book value	0.7	0.5	0.7	0.5
	Difference	0.0	0.0	0.0	0.0
19. Shareholders' equity	Share capital Jan. 1	15.0	14.8	15.0	14.8
	Bond issue	-	0.2	0.0	0.2
	Share capital Dec. 31	15.0	15.0	15.0	15.0
	Contingency fund Jan. 1	26.0	27.6	22.1	22.3
	Transfers from/ to unrestricted equity	-	-1.4	-	-
	Bond issue	-	-0.2	-	-0.2
	Contingency fund Dec. 31	26.0	26.0	22.1	22.1
	Revaluation fund Jan. 1	13.0	13.0	12.9	12.9
	Bond issue	0.0	0.0	-	-
	Revaluation fund Dec. 31	13.0	13.0	12.9	12.9

		Group		Hackman Oyj Abp
	2000	1999	2000	1999
Parent company operating fund Jan. 1	-	-	19.9	19.9
Released revaluations	-	-	-	-
Parent company operating fund Dec. 31	0.0	0.0	19.9	19.9
Retained earnings Jan. 1	36.7	48.6	22.0	46.0
Dividend payment	-1.8	-1.8	-1.8	-1.8
Transfers from/ to unrestricted equity	-	1.4	-	-
Conversion discrepancy	-1.3	0.7	-	-
Released revaluations	-	-	-	-
Retained earnings Dec. 31	33.6	48.9	20.2	44.2
Result for the year	7.5	-12.2	0.0	-22.2
Total	95.1	90.7	90.1	91.9
20. Distributable equity				
Parent company operating fund	-	-	19.9	19.9
Retained earnings	33.6	48.9	20.2	44.2
Result for the year	7.5	-12.2	0.0	-22.2
From voluntary reserves and accelerated depreciation to shareholders' equity allocated part	-8.5	-11.3	-	-
Total	32.6	25.4	40.1	41.9
21. Accumulated appropriations	Accumulated depreciation in excess of plan			
	In buildings	-	-	0.7
	In machinery and equipment	-	-	0.1
	Total	-	-	0.8
22. Provisions				
	Restructuring	3.9	13.6	-
	Pension liabilities	1.1	1.3	0.3
	Other	3.2	2.6	0.4
	Total	8.2	17.5	1.0
23. Deferred tax receivables and liabilities	Deferred tax receivables			
	From timing differences	5.9	2.6	-
	Total	5.9	2.6	0.0
	Deferred tax liabilities			
	From appropriations	0.4	0.5	-
	From consolidation	1.0	1.1	-
	From timing differences	0.0	0.1	-
	Total	1.4	1.7	0.0
24. Non-current liabilities				
	Liabilities to financial institutions	36.4	26.8	29.7
	Pension loans	27.6	30.3	7.2
	Other liabilities *	24.7	20.8	20.0
	Total	88.7	77.9	56.9
	*Incl. bond 1999.03 / 2004.03 4,55%			
25. Liabilities maturing after five years				
	Liabilities to financial institutions	3.7	4.4	0.8
	Pension loans	8.0	10.3	3.4
	Deferred tax liabilities	1.5	1.6	-
	Other liabilities	0.0	0.3	-
	Total	13.2	16.6	4.2

		Group		Hackman Oyj Abp	
		2000	1999	2000	1999
26. Current liabilities	Other				
	Liabilities to financial institutions	7.7	2.9	0.4	1.7
	Pension loans	3.2	3.2	1.0	1.0
	Advance payments	0.8	1.0	-	-
	Accounts payable	24.4	22.0	0.1	0.2
	Accruals and deferred expenses	19.5	24.5	1.5	2.2
	Other liabilities	14.8	10.6	2.4	0.7
		70.4	64.2	5.4	5.8
	Liabilities Group				
	Accounts payable	-	-	0.1	0.1
	Accruals and deferred expenses	-	-	0.5	0.2
	Other liabilities	-	-	29.7	29.1
		-	-	30.3	29.4
	Total	70.4	64.2	35.7	35.2
27. Material items in accruals and deferred expenses	Accrued wages salaries, social expenses	12.1	14.1	0.2	0.3
	Tax liability	1.7	0.8	0.1	0.3
	Interest liabilities	1.5	1.4	1.4	1.1
	Other	4.2	8.2	0.3	0.5
	Total	19.5	24.5	2.0	2.2
28. Given securities and contingent liabilities	Liabilities, real estate mortgage as security				
	Non-current and current loans from credit institutions	6.0	8.0	3.3	5.1
	Real estate mortgaged as security for the above	12.8	13.3	9.6	10.1
		10.7	13.0	4.8	5.0
	Pension loans	12.2	19.1	12.2	17.6
	Real estate mortgaged as security for the above	21.3	28.7	18.1	23.9
	Total real estate mortgaged as security for loans	21.3	28.7	18.1	23.9
	Real estate mortgage has been given as security for both loans from credit institutions and pension loans.				
	Liabilities, chattel mortgage as security				
	Non-current and current loans from credit institutions	1.8	2.2	-	-
	Chattel mortgaged as security for the above	5.0	5.1	-	-
		1.1	-	-	-
	Pension loans	1.1	-	-	-
	Chattel mortgaged as security for the above	6.1	5.1	-	-
	Total chattel mortgaged as security for loans	6.1	5.1	-	-
	Chattel mortgage has been given as security for both loans from credit institutions and other commitments.				
	Other collaterals for own commitments				
	Mortgages on real estate	0.1	3.2	-	-
	Mortgages on chattels	5.0	5.2	-	-
	Pledges, book value	0.0	0.1	-	-
	Total collaterals for own commitments	5.1	8.5	-	-
	Chattel mortgage has been given as security for both loans from credit institutions and other commitments.				
	Collaterals on behalf of Group companies				
	Mortgages on real estate	-	-	8.5	13.8
	Guarantees	-	-	22.4	22.4
	Total on behalf of Group companies	-	-	30.9	36.2
	Real estate mortgage has been given as security on behalf of both own loans from credit institutions and pension loans.				
	Collaterals on behalf of third parties				
	Guarantees	0.5	0.5	0.4	0.5

		Group	Hackman Oyj Abp		
		2000	1999	2000	1999
Total collaterals and guarantees					
	Total mortgages on real estate	21.4	31.9	18.1	23.9
	Total mortgages on chattels	6.1	5.2	-	-
	Total pledges	0.0	0.1	-	-
	Total guarantees	0.5	0.5	22.8	22.9
Other liabilities					
		1.5	2.9	-	-
29. Financial derivative contracts	Forward foreign exchange contracts, nominal value	61.4	58.7	95.9	106.8
30. Leasing liability	Amount paid regarding leasing agreements				
	Paid during financial year	1.6	1.7	0.0	0.0
	Falling due after Dec. 31	2.8	7.7	0.1	0.1
	Total	4.4	9.4	0.1	0.1
	Leasing liability includes two financial leasing agreements regarding buildings.				
	Leasing liability	0.0	4.6	-	-
	The leasing period is until year 2007/2010				
31. Pension liability and loans to the executives and shareholders	The retirement age for Group company managing directors is 60-67 years The retirement age for chief executive officer of the parent company is 60 years				
	Loans granted to the chief executive officer and Board members	0.1	0.1	0.1	0.1
	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%				
32. Group Companies Dec. 31, 2000			Group Shareholding % *	Hackman Oyj Abp's Shareholding %	
DESIGNOR	Designor Oy Ab, Helsinki, Finland		100	100	
	Designor AB, Lidköping, Sweden		100		
	Designor A/S, Moss, Norway		100		
	Designor A/S, Copenhagen, Denmark		100		
	Designor B.V., Breda, Netherlands		100		
	Nilsjohan AB, Lidköping, Sweden		100		
	Hackman Cutlery Factory and Commercial LLC, Fehergyarmat, Hungary		100		
	Fetefém KFT, Fehergyarmat, Hungary		100		
	Hackman LLC, Budapest, Hungary		100		
	Designor Inc., Cherry Hill, USA		100		
	Hackman Eesti AS, Tallin, Estonia		100		
	Hackman Polska Z.o.o., Warsaw, Poland		100		
METOS	Hackman Metos Oy Ab, Kerava, Finland		100	100	
	Hackman Metos AB, Stockholm, Sweden		100		
	Hackman Metos A/S, Oslo, Norway		100		
	Hackman Metos Eesti AS, Tallin, Estonia		100		
	Hackman Metos Latvia SIA, Riga, Latvia		100		
	Hackman Metos UAB, Vilnius, Lithuania		100		
	Hackman Metos OOO, Moscow, Russia		100		
	Wexiödisk Förvaltnings AB, Vexjö, Sweden		100		
	Wexiödisk AB, Vexjö, Sweden		100		
	Hackman Metos SARL, Paris, France		100		
	Dihl s.r.l., Castelfranco, Italy		100		
	Kromo s.r.l., Loria, Italy		100		
	Metos Italy S.P.A, Belluno, Italy		100		
	Olis Italia S. p. A., Belluno, Italy		100		
	Polaris S. p. A., Belluno, Italy		100		
	PW System AB, Malmö, Sweden		100		
	Pakkaskone Oy, Kerava, Finland		100		

		Group Shareholding % *	Hackman Oyj Abp's Shareholding %
HADWACO	Hadwaco Ltd Oy, Helsinki, Finland	100	100
	Hadwaco Inc., Atlanta, USA	100	
CORPORATE SERVICE	Hackman Invest Oy Ab, Helsinki, Finland	100	100
	Kiint.Oy Sorsakosken Teollisuustalot, Leppävirta, Finland	100	100
	Hackman Fürst AG, Baar, Switzerland	100	100
	Hackman-MKT Oy, Helsinki, Finland	100	100
	Rondex Oy Ltd., Helsinki, Finland	100	100
	Hackman Norge A/S, Moss, Norway	100	100
	Toijalan Tahi Oy Ab, Toijala, Finland	100	100
	Wedholms S.A., Nevers, France	100	1
	Hackman Prosessi Oy Ab, Leppävirta, Finland	100	100
	Hackman TTT GmbH, Wipperfurth, Germany	100	

*Shareholding equals voting rights

33. Associated Companies Dec. 31, 2000	Group		Hackman Oyj Abp's Shareholding %	Shareholders' equity MEUR	Result for the period MEUR
	Shareholding %	No. of Shares			
Rörstrands Kulturforum AB Lidköping, Sweden	36.0	2000		0.6	0.0

34. Shares and Holdings Dec. 31, 2000	Group		Hackman Oyj Abp's Shareholding %	Shareholders' equity MEUR	Result for the period MEUR
	Shareholding %	No. of Shares			
Art and Design City Helsinki Oy Ab		1000			
Helsinki Halli Oy, A shares		13			
Oy Kvartett Invest Ab, Helsinki	15.0	15000	15.0		
OKR-liikkeeseenlaskijat osuuskunta		2			
* Plastumgruppen Ab	20.0	33333	20.0		
Sampo Vakuutusosakeyhtiö, Helsinki		102			
* Kiint. Oy Annukka, Joutseno	50.0	38	50.0		
* Kiinteistö Oy Leppävirran Teollisuustalontie I	40.0	20			
* Leppävirran matkailukeskus Oy	33.3	150	33.3		
* As Oy Pankkikallio Sorsakoski	29.0	2317	43.9		
As Oy Elvalanranta		1519			
* International Steel Co SPA, Italy	10.0	50000			
Others					

* Excluded from Group financial statements due to minor impact

Group Key Ratios and Figures

		1996	1997	1998	1999	2000
Net sales	EUR million	341.9	327.6	329.9	306.6	315.8
Change	%	-3.3	-4.2	0.7	-7.0	3.0
Exports and foreign sales	EUR million	194.3	188.8	211.1	185.7	203.1
Share of net sales	%	56.8	57.6	64.0	60.6	64.3
Salaries and benefits	EUR million	103.0	105.7	107.2	101.0	101.0
Share of net sales	%	30.1	32.3	32.5	33.0	32.0
Gross margin	EUR million	92.3	82.8	92.4	89.3	97.3
Share of net sales	%	27.0	25.3	28.0	29.1	30.8
Research and development expenses	EUR million	7.3	8.0	9.7	8.7	8.8
Share of net sales	%	2.1	2.5	2.9	2.8	2.8
Operating result before depreciation	EUR million	22.6	19.9	27.0	22.8	27.9
Share of net sales	%	6.6	6.1	8.2	7.4	8.8
Depreciation according to plan	EUR million	16.4	15.7	16.2	15.0	14.7
Decrease in group reserve	EUR million	0.0	0.0	0.0	0.0	0.0
Operating result	EUR million	6.2	4.2	10.8	7.8	13.3
Share of net sales	%	1.8	1.3	3.3	2.5	4.2
Net financial expenses	EUR million	7.4	4.3	6.2	5.0	5.0
Share of net sales	%	2.2	1.3	1.9	1.6	1.6
Result before extraordinary items	EUR million	-1.2	-0.1	4.6	2.8	8.3
Share of net sales	%	-0.4	0.0	1.4	0.9	2.6
Result before appropriations and taxes	EUR million	4.6	6.2	10.6	-14.5	6.8
Share of net sales	%	1.3	1.9	3.2	-4.7	2.2
Direct taxes, operations	EUR million	1.9	2.7	-1.0	2.0	0.3
Direct taxes, extraordinary items	EUR million	1.8	1.0	2.5	-4.4	-1.0
Minority interests	EUR million	1.1	1.9	0.6	0.2	0.0
Value added	EUR million	134.2	133.3	141.1	130.6	135.9
Financial result	EUR million	19.1	19.2	27.8	-1.4	21.2
Share of net sales	%	5.6	5.8	8.4	-0.5	6.7
Gross investments	EUR million	17.1	13.3	32.1	14.7	25.3
Share of net sales	%	5.0	4.1	9.7	4.8	8.0
Dividends paid	1) EUR million	1.8	1.8	1.8	1.8	2.2
Interest bearing financial assets	EUR million	19.8	14.8	10.9	10.3	9.7
Interest free financial assets	EUR million	70.3	56.8	53.4	62.7	69.5
Inventories	EUR million	82.7	73.1	66.3	65.1	72.3
Fixed assets	EUR million	149.5	129.6	120.5	113.9	112.3
Interest free liabilities	2,3) EUR million	74.1	70.1	62.5	77.4	73.4
Interest bearing liabilities	EUR million	129.4	92.2	81.9	83.9	95.3
Share of net sales	%	37.8	28.2	24.8	27.4	30.2
Net working capital	EUR million	88.1	69.7	64.5	70.2	82.3
Share of net sales	%	25.8	21.3	19.6	22.9	26.1
Minority interests	EUR million	9.3	9.2	2.7	0.0	0.0
Shareholders' equity	2) EUR million	109.5	102.8	104.0	90.7	95.1
Balance sheet total	EUR million	322.3	274.3	251.1	252.0	263.8
Return on investment	2,3) %	3.2	2.9	5.7	4.7	8.0
Return on equity	2) %	-2.6	-2.4	5.1	0.9	8.7
Gearing	2) %	92.7	70.5	67.0	82.0	93.3
Equity ratio	2) %	37.2	41.3	42.7	36.1	36.1
Quick ratio		0.8	0.8	0.7	1.2	1.1
Current ratio		1.5	1.6	1.5	2.2	2.2
Average number of personnel		3 248	3 117	3 225	2 991	3 022
Abroad		1 480	1 471	1 521	1 328	1 459
Total personnel Dec. 31		3 204	3 084	3 003	2 943	2 610
Abroad		1 449	1 430	1 319	1 316	1 221
Net Sales / person	EUR million	0.11	0.11	0.10	0.10	0.10
Value added / person	EUR million	0.04	0.04	0.04	0.04	0.04

1) Proposal of the Board for 2000

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.

3) Interest free liabilities also include provisions. The corresponding figures for previous years have been adjusted accordingly.

Calculation of Key Ratios

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

Financial risk management

At Hackman, financial risk management is based on a Board-approved risk policy which establishes a framework for hedging operations and enables Hackman to take exchange rate and interest rate positions within specified risk limits.

INTEREST RATE RISK MANAGEMENT

Hackman's long-term objective for managing the Group's exposure to interest rate risks is to minimize financing expenses within specified risk limits. Hackman's interest rate exposure arises primarily from the Group's debt and investments, and from cash flows from business operations. The currencies that currently are the most significant in this respect are the euro and the Swedish krona.

In hedging its interest rate exposure, Hackman strives to keep the risk as close as possible to the position deemed neutral. A position is considered neutral when it can be expected that a change in the Group's interest expenses resulting from movements in the general level of interest rates will be compensated for by a simultaneous change, in the opposite direction, in the Group's business performance. Interest rate risk is managed using GAP analysis. The average term of the debts has to be at least 12 months.

EXCHANGE RATE RISK MANAGEMENT

The purpose of exchange rate risk management is to limit the impact of exchange rate movements on the Group's cash flow and shareholders' equity. Hackman's exchange rate exposure arises from the Group's cash flows, receivables, or debts denominated in, or otherwise affected by, foreign currencies. Finished products in Hackman's core business areas are for the most part priced and invoiced in the local currencies. Movements in the Swedish krona against the euro constitute the most material risk to Hackman's business. Other significant currencies are the Norwegian krone, Danish krone and U.S. dollar.

The shareholders' equity of foreign subsidiaries also poses a material exchange rate risk to the Group. The principal exposure in this respect is in the Swedish krona.

The Group's exposure to exchange rate risks is monitored respective to each Group company, against several base currencies, on the basis of the net foreign exchange exposure, which includes the aforementioned risk factors. The risk is hedged primarily by netting currency flows. The Group companies hedge their net exposures through the Group Treasury. The risk involved in any open position is

hedged with forward foreign exchange agreements and currency options. The maturities of the contracts used to hedge cash flows from business operations do not exceed 12 months.

Extensive hedging against movements in exchange rates is not possible or even practical in countries whose currencies lack the advanced money markets in which sophisticated hedging operations are available. Such countries include Russia, Hungary and Poland. This circumstance does not however expose the Group to material exchange rate risks.

CREDIT RISK

Credit risk in financing arises from cash investments and the credit risk involved in derivative contracts. The credit risk arises from the potential failure of the counterparty to meet its contractual obligations. The amount of risk thus depends on the counterparty's creditworthiness. Hackman seeks to minimize credit risk by entering into derivative contracts with financial institutions and brokers within the approved credit limits.

LIQUIDITY RISK

The Group strives to maintain adequate liquidity with credit facilities and a commercial paper program. Cash funds are invested according to the finance policy, in instruments with low credit risks.

REFINANCING RISK

Refinancing risks are minimized by ensuring that the loan portfolio's proportion of long-term loans is adequate and that the maturities of those loans are sufficiently long.

Share Capital, Shares and Shareholders

Hackman Oyj Abp's stock is listed on the Helsinki Stock Exchange since June 1994. Public quotation of Hackman stock began in July 1988, on the Helsinki OTC Exchange.

The paid-in and registered share capital of Hackman Oyj Abp totals EUR 14 960 000.00. According to the company's articles of incorporation, Hackman's minimum capital is EUR 11 245 500.00, and its maximum capital is EUR 33 583 500.00. Within these limits, share capital may be adjusted without amending the articles of incorporation.

Hackman Oyj Abp's shares have a face value of EUR 3.40 and are divided into two types: A shares and K shares. There are 3 582 500 A shares, representing 81.4% of the total shares outstanding. Each A share entitles its holder to one vote at the annual meeting of shareholders. There are 817 500 K shares, representing 18.6% of all outstanding shares. Each K share entitles its holder to 20 votes at the annual meeting of shareholders. The articles of incorporation include a repurchasing clause, according to which the company and the other K share holders enjoy the right of first refusal if K shares would otherwise come into the possession of a party other than a descendant of Commercial Counsellor Wilhelm Hackman or Consul Carl Edvin Julius Ekström.

According to the articles of incorporation, no shareholder may exercise more than 10% of the voting rights represented at the annual meeting of shareholders.

The articles of incorporation also provide that, in the event of a stock issue, K shareholders may purchase new K or A shares, while A shareholders may only purchase new A shares.

K and A shares entitle their holders to the same dividend rights.

BOARD'S AUTHORITY FOR STOCK AND CONVERTIBLES

During 2000, the Board of Directors of Hackman Oyj Abp did not have authority to increase the capital stock, or to

issue any options or convertibles; nor did the company have any options or convertibles on the market during the year.

OPTION PROGRAM FOR KEY GROUP PERSONNEL

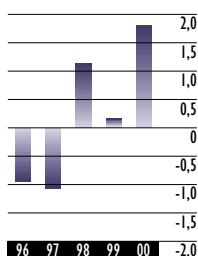
The regular annual meeting of shareholders decided in 1998, to issue options in an amount not to exceed EUR 0.5 million to key personnel. The Board of Directors was authorized to attend to the distribution of the option rights. A maximum of 150 000 options may be issued to specified persons, entitling the holders to subscribe to a total of 150 000 A shares of Hackman Oyj Abp. Of the 150 000 option rights 75 000 will be marked with the letter A and 75 000 with the letter B.

The Board of Directors decided in 1998 to grant 50 key persons the right to subscribe to options. The subscription period will begin in stages, on May 1, 2001, and May 1, 2003, assuming that HackmanGroup's result after financial items exceeds EUR 12.6 million in the last financial statements approved before the subscription period. The subscription period for all option certificates will end May 31, 2005. The subscription price will be EUR 42.21 per share. The amount of cash dividends distributed after May 1, 1998, but before the subscription, will be deducted from the subscription price per share. The subscription price per share will not be less than the share's face value, however.

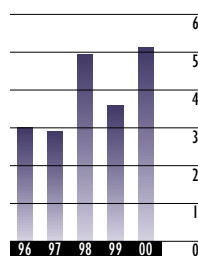
MANAGEMENT HOLDINGS

The members of the Board of Directors owned a total of 25 000 K shares and 87 110 A shares in the end of December 2000. This represented 2.9% of the company's total voting rights. Members of the Group Executive Board held 5 591 A shares, carrying less than 0.1% of the company's voting rights.

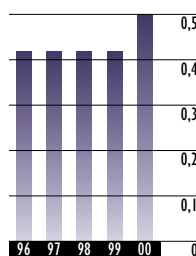
EARNINGS/SHARE, EUR



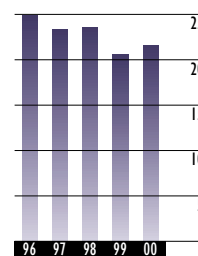
CASH FLOW/SHARE, EUR



DIVIDEND/SHARE, EUR



EQUITY/SHARE, EUR



DIVIDEND DISTRIBUTION POLICY

The company has no approved dividend distribution policy. In making its recommendation to the annual meeting of shareholders, the Board of Directors considers both the long-term result trend and the company's financial situation. In conformity with the prevailing practice, the annual meeting of shareholders decides each year on the dividend to be distributed.

SHAREHOLDER AGREEMENTS AND OTHER COMMITMENTS

The company has not concluded, nor is it aware of, any shareholder agreements respecting shares, or any other commitments respecting the ownership of the company or the exercise of voting rights.

SHARE HOLDINGS, PRICE AND TURNOVER

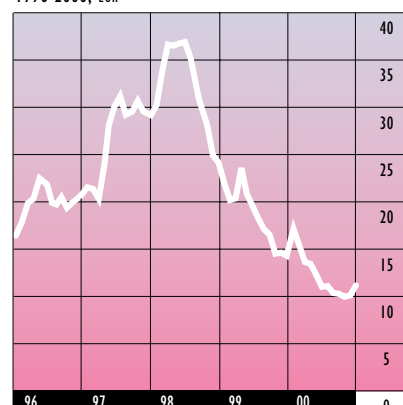
According to the book-entry system, Hackman Oyj Abp had 2 419 shareholders as of December 31, 2000. Nominee-registered and foreign-owned shares totaled 808 475, representing 18.4% of all shares and 9.2% of the voting rights.

In 2000 a total of 649 671 A shares (1999: 1 261 750), representing 18,1% of all A shares outstanding, changed hands. The turnover had a total value of EUR 7.7 million (EUR 21.1 million).

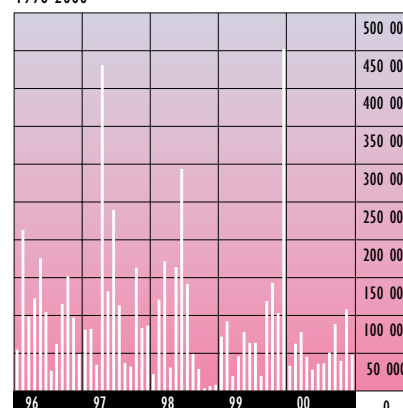
The price of Hackman A shares reached its 2000 low of EUR 9.06 in October and its 2000 high of EUR 18.80 in January. At the end of 2000 the share price was EUR 11.30. The total market value of all shares was EUR 49.7 million. The average share price for the year was EUR 11.87.

HackmanGroup adapts in its activities to the Insider Guidelines of the Helsinki Exchanges.

A-SHARE PRICES
1996-2000, EUR



A-SHARE TRADING VOLUMES
1996-2000



Share-related key figures		1996	1997	1998	1999	2000
Earnings / share	EUR	-0.96	-1.07	1.14	0.16	1.81
Cash flow / share	EUR	3.01	2.92	4.96	3.61	5.14
Equity / share ¹⁾	EUR	24.89	23.35	23.64	20.60	21.62
Dividend / share ²⁾	EUR	0.42	0.42	0.42	0.42	0.50
Dividend / earnings	%	neg.	neg.	36.9	259.0	27.6
Effective dividend yield	%	2.0	1.4	1.7	2.5	4.4
Price / earnings ratio (P/E)		neg.	neg.	22.1	103.3	6.2

There were no adjustments in stock issues during the five-year period.

1) General untaxed reserves have been divided into retained earnings (59-72%) and deferred tax liability (28-41%)

2) Proposal of the Board of Directors for 2000.

Calculation models for the key figures are presented on page 38.

Changes in share capital 1996-2000

	Change in share volume	Increase/decrease in share capital, EUR	New share capital after changes, EUR
Reduction 1998	-22 500	-75 684.57	14 800 537.53
Fund Issue 1999		159 462.47	14 960 000.00
No changes in share capital 1996-1997, 2000			

Share capital and shares, 1996-2000	1996	1997	1998	1999	2000
Share capital, EUR million	14.9	14.9	14.8	15.0	15.0
Share volume, 1 000					
A-shares	3 582.5	3 582.5	3 582.5	3 582.5	3 582.5
K-shares	817.5	817.5	817.5	817.5	817.5
Total number of shares outstanding (1 000)	4 400.0	4 400.0	4 400.0	4 400.0	4 400.0
K shares redeemed (1 000)	22.5	22.5	22.5	22.5	22.5
Number of shares at year end (1 000)	4 400.0	4 400.0	4 400.0	4 400.0	4 400.0
Average number of shares (1 000)	4 400.0	4 400.0	4 400.0	4 400.0	4 400.0

There were no adjustments in stock issues during the five-year period.

Share Price and Turnover		1996	1997	1998	1999	2000
Face value	EUR	3.36	3.36	3.36	3.40	3.40
Finnish Tax value	EUR	14.46	20.18	16.48	11.66	7.77
Price of A share	EUR					
average ¹⁾		20.58	27.26	36.28	16.69	11.87
low		15.31	18.84	22.71	13.00	9.06
high		25.56	33.64	40.37	30.00	18.80
year end		20.86	30.27	25.23	16.75	11.30
Year end total market value ²⁾	EUR million	91.76	133.20	111.00	73.70	49.70
Turnover of A shares	EUR million	26.22	40.83	37.30	21.10	7.71
volume	(1000)	1 274.1	1 498.0	1 028.6	1 261.7	649.7
proportion of A shares outstanding	%	35.6	41.8	28.7	35.2	18.1
Total number of shareholders, December 31		2 758	2 190	1 992	2 371	2 419

1) Turnover divided by volume of euro-denominated A shares

2) Number of shares outstanding at year end, multiplied by year end A share price.

Largest Shareholders

According to book-entry system, Dec. 31, 2000		K shares		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	61 138	1.7	88 518	2.0	3.1	
5.	Christina Diehl	27 722	3.4	48 057	1.3	75 779	1.7	3.0	
6.	Birgitta Reims	27 773	3.4	31 426	0.9	59 199	1.3	2.9	
7.	Johan Gripenberg	27 773	3.4	30 510	0.9	58 283	1.3	2.9	
8.	Ebba Valentini	25 400	3.1	77 320	2.2	102 720	2.3	2.9	
9.	Jan Hörhammer	25 000	3.1	85 000	2.4	110 000	2.5	2.9	
10.	Christer Gripenberg	29 122	3.6	510	0.0	29 632	0.7	2.9	
Total, 10 largest shareholders		295 935	36.2	436 080	12.2	732 015	16.6	31.7	
Board members and CEO		25 000	3.1	87 110	2.4	112 110	2.5	2.9	
Executive Board members				5 591	0.2	5 591	0.1	0.0	

Distribution of shares

According to book-entry system, Dec. 31, 2000		Number of Shareholders		Shares (1 000)		Votes (1 000)	
		Number	%	Number	%	Number	%
1 - 99		1 211	50.0	58	1.3	61	0.3
100 - 999		951	39.3	242	5.5	364	1.8
1 000 - 9 999		183	7.6	528	12.0	2 523	12.7
10 000 - 99 999		67	2.8	2 437	55.4	14 892	74.7
100 000 - 999 999		7	0.3	1 129	25.7	2 086	10.5
Not transferred to book-entry system				6	0.1	6	0.0
Total		2 419	100.0	4 400	100.0	19 932	100.0

Ownership Structure

According to book-entry system, Dec. 31, 2000		Number of Shareholders		Shares (1 000)		Votes (1 000)	
		Number	%	Number	%	Number	%
Private individuals		2 193	90.6	2 697	61.3	16 554	83.0
Financial institutions		12	0.5	189	4.3	189	0.9
Companies		161	6.7	176	4.0	831	4.2
Nonprofit institutions		5	0.2	489	11.1	489	2.5
Nonprofit organizations		11	0.5	35	0.8	35	0.2
Foreign and nominee-registered		37	1.5	808	18.4	1 828	9.2
Not transferred to book-entry system				6	0.1	6	0.0
Total		2 419	100.0	4 400	100.0	19 932	100.0

Proposal of the Board of Directors

According to the Group balance sheet the unrestricted equity as of

December 31, 2000 amounted to	EUR	41 161 000
of which the distributable unrestricted equity amounted to	EUR	32 630 000

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

Operational fund, 31 December, 2000	EUR	19 928 860
Retained earnings, 31 December, 2000	EUR	20 174 730
Profit for the year	EUR	27 566
	EUR	<u>40 131 156</u>

The Board of Directors recommends that:

- a dividend on 2000 of EUR 0.50 per share be distributed on the 817 500 K-shares outstanding and on the 3 582 500 A-shares outstanding, the sum totalling:	EUR	2 200 000
- a sum is to be retained in the Group's operational fund amounting to	EUR	19 928 860
- the remaining sum is to be held in retained earnings:	EUR	18 002 296
	EUR	<u>40 131 156</u>

Helsinki, 19 February, 2001

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 and the corporate governance of Hackman Oyj Abp for the financial period 1.1. - 31.12.2000. The financial statements, which include the report of the Board of Directors and the consolidated and parent company income statements, balance sheets and notes to the financial statements have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance.

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. An audit includes 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 corporate governance 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, which for the parent company show a profit of EUR 27 566, 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 and consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distribution of retained earnings is in compliance with the Companies Act.

Helsinki, 6 March, 2001

Kristian Hallbäck
Authorised Public Accountant

Anders Borgström
Authorised Public Accountant

Board of Directors, Auditors



Board of Directors
back row from left:
Lars Renström,
Stig Gustavson,
Björn Gavelstad.
Front row from left:
Carl-Olaf Homén,
Jan Hörhammer.

BOARD

STIG GUSTAVSON

*1945. Chairman, President and CEO of KCI Konecranes International Plc.
Board Member since 1997. Term expires 2003. Series A shares 1 000.

BJÖRN GAVELSTAD

*1939. Director and Board Member of Orkla Foods International.
Board Member since 1996. Term expires 2002.

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. President and CEO of Seco Tools AB. Board Member since 1997.
Term expires 2003. Series A shares 600.

AUDITORS

Authorized Public Accountants Kristian Hallbäck and Anders Borgström

DEPUTY AUDITORS

Authorized Accounting Firm, Tilintarkastajien Oy - Ernst & Young
and Authorized Public Accountant Roger Rejström

Executive Board

TAPIO HINTIKKA
*1942. President and CEO.
Employed since 1997.



LARS MALMQVIST
*1946. Vice President, CFO
Employed since 1990.
Series A shares 214.



TOUKO LAINE
*1943. Vice President,
Administration.
Employed since 1990.
Series A shares 10.



JUHANI KUJALA
*1944. President, Hadwaco
and Managing Director of
Hadwaco Ltd Oy.
Employed since 1994.
Series A shares 50.



TEROVÄHÄKYLÄ
*1958. President, Designer
and Managing Director
of Designor Oy Ab.
Employed since 2000.



MICHAEL RAMM-SCHMIDT
*1952. President of Metos
and Managing Director
of Hackman Metos Oy Ab.
Employed since 1989.
Series A shares 5 317.



KEY PERSONNEL OF HACKMANGROUP

TERHIARVELA,
Group Communication Officer

JUSSI JÄNTTI,
Group Finance Manager

KAISA KOKKONEN,
Group Business Controller

Key Personnel of Divisions

METOS

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

JARKKO AHLSTÉN,
Director, BA Dishwashing and Trading, Director,
Metos France and Belgium

PAOLO CANDIAGO,
Director, BA Cooking Equipment & Cold Storing,
South Europe

PEKKA MÖNKKÖNEN,
Director, BA Cooking Equipment & Food Serving,
North Europe

JÖRGEN MICHELSSON,
Director, Marketing & Logistics

JARMO SALMINEN,
Director, End user sales, Finland and the Baltic Countries

LENNART SANDIN,
Director, End user sales, Sweden

ARNE DALSENG,
Director, End user sales, Norway

LEENA KOSKELAINEN,
Director, End user sales, Russia

JARMO SEPPÄLÄ,
Director, Marine

GÖRAN FRÖLANDER-ULF,
Director, Finance

TOMI PIENIMÄKI,
Director, IT

DESIGNOR

TEROVÄHKYLÄ,
President, Designor –Managing Director,
Designor Oy Ab

HENRY LÖFSTEDT,
Business Controller, Executive Vice President

Business Areas:

PETRI PITKÄRANTA,
Director, Business Area Arabia

THOMAS ENCKELL,
Director, Business Areas Hackman and iittala

HANS BIÉTH,
Business Area Rörstrand

HADWACO

JUHANI KUJALA,
President, Hadwaco –Managing Director,
Hadwaco Ltd Oy

JUSSI JÄNTTI
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