SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549-1004

FORM 10-K

(Mark One)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the fiscal year ended December 31, 1996

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 For the transition period from to

COMMISSION FILE NUMBER 1-11846
APTARGROUP, INC.
(Exact Name of Registrant as Specified in its Charter)

Delaware	36-3853103
(State of Incorporation)	(I.R.S. Employer Identification No.)

475 West Terra Cotta Avenue, Suite E, Crystal Lake, Illinois 60014
(Address of Principal Executive Offices) (Zip Code)
815-477-0424
(Registrant's Telephone Number, Including Area Code)

Securities Registered Pursuant to Section 12(b) of the Act:

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock $.01 par value	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

Securities Registered Pursuant to Section 12 (g) of the Act : None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

The aggregate market value of the Common Stock held by non-affiliates, based on the closing sales price for the Common Stock on the New York Stock Exchange on March 20, 1997, was approximately $587,478,000. The number of shares outstanding of Common Stock, as of March 20, 1997 was 17,957,039 shares held by approximately 1,000 shareholders of record.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's 1996 Annual Report to Stockholders are incorporated by reference into Parts I and II of this report.

Portions of the Registrant's Proxy statement for the annual meeting of stockholders to be held on May 14, 1997 are incorporated by reference into Part III of this report.

APTARGROUP, INC.

INDEX TO
ANNUAL REPORT ON FORM 10-K

For the Year Ended December 31, 1996

PART I

PART I

Item 1. Business

(a) General Development of Business

AptarGroup, Inc. became an independent publicly-owned corporation in April, 1993 as a result of a spin-off from Pittway Corporation ("Pittway"). The terms "AptarGroup" or "Company" as used herein refer to AptarGroup, Inc. and its subsidiaries or the former Seaquist Group as appropriate in the circumstance. The Company's business began as a one-product, one-country operation that has become a multinational supplier of a broad line of dispensing packaging systems. The business was started in the late 1940's through its SeaquistPerfect Dispensing division which manufactured and sold aerosol valves in the United States. In 1964, this business was acquired by Pittway. The Company's business has grown primarily through the acquisition of relatively small companies and internal expansion.

Date	Business	Country	Start-up/ Acquisition	Initial Product Line
1968	SeaquistPerfect Dispensing GmbH (formerly Perfect Valois Ventil GmbH)	Germany	Acquisition	Aerosol valves
1970	Valois S.A.	France	Acquisition	Aerosol valves
1976	Seaquist Closures	U.S.	Start-up	Closures
1976	35% of certain Pfeiffer Group companies	Germany	Acquisition	Pumps
1981	AR Valve product line	U.S.	Acquisition	Aerosol valves
1981	RDW Industries, Inc.	U.S.	Acquisition	Closures
1983	STEP S.A.	France	Acquisition	Pumps
1989	SAR S.p.A.	Italy	Acquisition	Pumps
1993	Remainder of the Pfeiffer Group	Germany	Acquisition	Pumps
1995	Liquid Molding Systems, Inc. ("LMS")	U.S.	Acquisition	Silicone Molded Products
1995	35% of Loffler Kunststoffwerk GmbH & Co. KG	Germany	Acquisition	Closures
1995	General Plastics, S.A.	France	Acquisition	Closures

(b) FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS

The Company operates in the packaging components industry. Financial information relating to operations by geographic area for each of the three years in the period ended December 31, 1996, is set forth in Note 15 ("Segment Information") to the Consolidated Financial Statements contained in the 1996 Annual Report to Stockholders, page 32, which is incorporated herein by reference.

(c) NARRATIVE DESCRIPTION OF BUSINESS

GENERAL

The Company designs, manufactures and sells consumer product dispensing systems. The Company focuses on providing value-added components to global consumer product marketers in the fragrance/cosmetics, personal care, pharmaceutical, household products and food industries. Value-added packaging allows consumers to conveniently dispense a product, in an aesthetic looking package, which consistently meets basic dosage characteristics as required. The Company believes it is the largest supplier of dispensing closures, aerosol valves, personal care fine mist pumps and pharmaceutical pumps in North America and the largest supplier of fragrance fine mist pumps and pharmaceutical pumps in Europe. The Company has manufacturing facilities primarily located in North America and Europe which serve over 1,000 customers. The Company began production of aerosol valves in China in early 1997. No single customer accounted for greater than 10% of the Company's 1996 net sales.

PUMPS

Pumps are finger-actuated dispensing systems which disperse a spray or lotion from non-pressurized containers. Pumps are principally sold to four markets: fragrance/cosmetics, pharmaceutical, personal care and household products. Examples of pump applications in these markets include perfume, skin creams, oral and nasal sprays, hair spray and window cleaners. The style of pump used depends largely on the nature of the product being dispensed, from smaller, fine mist pumps used with perfume products to high-output trigger pumps used with household cleaner products.

AptarGroup believes it is the leading supplier of pharmaceutical pumps to the world, fragrance/cosmetic pumps to Europe and personal care pumps to North America. An element of the Company's growth strategy is the geographic expansion of pump operations. In 1996, over 90% of the Company's pumps sold were manufactured in Europe. Adding to the Company's personal care pump manufacturing capabilities in the U.S., the Company began assembling fragrance/cosmetics pumps in the United States in early 1995. The Company has sales offices in Japan and is pursuing production opportunities in China to enhance its position in the Asian markets. In 1996, pump sales accounted for approximately 63% of AptarGroup's net sales.

FRAGRANCE/COSMETICS

The Company believes it is the leading supplier of pumps to the fragrance/cosmetics market in Europe. Pumps are manufactured to meet exacting size and performance requirements. Significant research, time and coordination with the customers' development staff is required to qualify a pump for use with their products. Recently, the Company developed several new pumps for the fragrance/cosmetics market. An example is a pump that permanently affixes to a bottle without the need for crimping, enabling customers to assemble their finished product more easily, efficiently and economically. Another example is a tubeless pump. The conventional tube, the device that takes the product up from the bottom of the container when the button on top is pushed down, was removed. In its place, a reservoir was substituted.

Within the market, the Company expects the use of pumps to continue to increase, particularly in the cosmetics sector. For example, packaging for certain products such as skin moisturizers and anti-aging lotions is undergoing a conversion to pump systems, which may provide growth opportunities for the Company.

PHARMACEUTICAL

The Company considers itself to be the leading supplier of pumps to the pharmaceutical industry worldwide. AptarGroup has clean room manufacturing facilities in France, Germany and Switzerland which produce pumps in a contaminant-controlled environment. The Company believes the use of pumps in the dispensing of pharmaceuticals will continue to increase. Demand is increasing for the Company's pumps which provide consistent doses of particular drugs. The Company's extensive experience with pharmaceutical pumps position it to supply other industries, including cosmetics, for such applications as anti-aging lotions.

PERSONAL CARE

The Company believes it is the largest supplier of personal care fine mist pumps in North America. Sales of fine mist pumps to this market have increased significantly over the last several years. The Company has been a supplier of lotion pumps to the personal care market primarily in Europe and plans to expand sales of lotion pumps to the personal care market in North America.

OTHER

The Company has not focused on the household pump market. Household products primarily utilize trigger or other high output pumps, for such applications as bathroom cleaners, window sprays, and general household cleaners. The Company manufactures high output pumps for the household market; however, it currently does not manufacture a trigger pump. Pumps have not been extensively used in the food industry.

CLOSURES

Dispensing closures are plastic caps, primarily for squeezable containers, which allow a product to be dispensed without removing the cap. Although the Company sells dispensing closures to all markets, the majority of the Company's sales have been primarily to the personal care market. The Company believes that it is the largest manufacturer of dispensing closures in North America.

Sales of dispensing closures have grown over the past 10 years as consumers worldwide have demonstrated a preference for a package utilizing the convenience of a dispensing closure. As a result of this trend, consumer marketers are continually evaluating opportunities to convert non-dispensing closures to dispensing closures in order to differentiate their products and make them more appealing to customers. An example of this is the conversion of shampoo packages from twist-off caps to dispensing closures. Similar conversions have occurred with toothpaste, ketchup and skin care products. The Company believes future growth opportunities exist for converting other products to dispensing closures.

The Company's growth strategy for the dispensing closure business is to gain greater market share in the European, South American and Asian markets, to develop new innovative products and to adapt existing products for new markets.

In 1996, approximately 79% of the Company's dispensing closures sold were manufactured in North America with the remainder primarily manufactured in Europe. In 1996, dispensing closure sales accounted for approximately 18% of AptarGroup's net sales.

PERSONAL CARE

Historically, the Company's primary focus for dispensing closures has been the personal care industry. Products with dispensing closures include shampoos, skin lotions, conditioners and toothpaste. In order to expand its business in this market, the Company has focused on the development of new products including SimpliSqueeze(R) , a no-leak, invertible closure with one-hand dispensing convenience. SimpliSqueeze(R) features a silicone valve that enables the product to be dispensed with a slight squeeze of the bottle, and upon release, closes firmly and does not leak. Consumer awareness of the innovative SimpliSqueeze(R) closure is expected to grow as a result of its current use with hair care, shower gel and moisturizing lotion products and other expected customer applications.

HOUSEHOLD

The Company has not had significant dispensing closure sales to the household market. The Company believes this market offers an opportunity for expansion. The Company is building stronger relationships with the consumer product marketers operating in the household market. The Company adapts existing products to target this market. For example, the Directional Pour Spout(TM) incorporates an elongated spout that enables the consumer to pinpoint the dispensing of the product in exactly the desired direction.

FOOD

In the food market, the Company believes opportunities for future applications exist comparable to the conversion of ketchup packaging to a dispensing closure. The trend of food manufacturers to offer products in a squeezable dispensing package has increased, for example, in mayonnaise, jellies and salad dressing products. An increase in the conversion of packaging for food products, such as edible oils, to squeezable dispensing closures could provide growth opportunities for the Company. The Company's Directional Pour Spout(TM) can also be used with food products.

OTHER

Sales of dispensing closures to the pharmaceutical market has not been significant. The Company is developing products for this market.

AEROSOL VALVES

Aerosol valves are mechanisms which dispense product from pressurized containers. The Company sells two different types of aerosol valves. The first type is a continuous spray valve frequently used with hair spray, spray paint, insecticide, automotive products and laundry products. The second type of valve is a metered aerosol valve used to dispense precise amounts of product. This valve is primarily sold to the pharmaceutical market for lung and heart medications.

Over the past 25 years, the number of aerosol valve companies in North America has decreased significantly. The majority of the North American market is concentrated in three companies. AptarGroup believes it is the largest aerosol valve manufacturer in North America. The Company's aerosol valves have historically been targeted primarily to the personal care and household markets.

In 1996, approximately 58% of the Company's aerosol valves sold were manufactured in North America. with the remaining having been manufactured primarily in Europe. In 1996, aerosol valve sales accounted for approximately 17% of AptarGroup's net sales.

PERSONAL CARE

The primary applications in the personal care market include hair products, deodorants and shaving creams. Demand for aerosol valves is dependent upon the consumers' preference for application, consumer perception of environmental impact, and changes in demand for the products in this market.

HOUSEHOLD

The primary applications for valves in the household market include disinfectants, spray paints, insecticides, automotive products and laundry sprays. The Company sells several customized overcaps that allow product to be dispensed by actuating a valve situated in the cap on the can. These overcaps are used, for instance, in household disinfectant sprays and room fresheners. They provide a higher degree of differentiation and convenience relative to competing sprays since the cap does not need to be removed prior to usage.

PHARMACEUTICAL

Metered dose aerosol valves are primarily used for the dispensing of medication for the lungs or heart. Aerosol technology allows medication to be broken up into very fine particles, which enables the drug to be delivered to the lungs or heart with greater efficiency than pills or injections.

OTHER

Aerosol valves are not widely used in the food industry. In the fragrance/cosmetics industry, aerosol valves have been largely replaced by pumps as the preferred dispensing mechanism.

RESEARCH AND DEVELOPMENT

The Company is continuously involved in developing innovative products and adapting existing products for new markets. Expenditures for research and development activities were $20.1 million, $17.5 million, and $15.3 million in 1996, 1995 and 1994, respectively. These costs were associated with a number of products in varying stages of development.

PATENTS AND TRADEMARKS

AptarGroup will continue to sell its products under the names used by its operating units and is not currently offering any products under the AptarGroup name. The names used by its operating units have been trademarked.

AptarGroup customarily seeks patent and trademark protection for its products and currently owns and has numerous applications pending for United States and foreign patents and trademarks. In addition, certain of AptarGroup's products are produced under patent licenses granted by third parties. The majority of AptarGroup's net sales are generated by products which have patent protection on either the product or a component of the product. Management believes that it possesses certain technical capabilities in making its products that would also make it difficult for a competitor to duplicate them.

TECHNOLOGY

Pumps and aerosol valves require the assembly of up to 15 different plastic, metal and rubber components using high speed equipment. When molding dispensing closures, or plastic components to be used in pump or aerosol valve products, the Company uses advanced plastic injection molding technology, including large cavitation plastic injection molds. These molds are required to maintain tolerances as small as one thousandth of an inch and produce in a high-speed, cost-efficient manner. The acquisitions of LMS and General Plastics added significant new molding technologies. LMS's experience in liquid silicone rubber molding allows the Company to pursue opportunities to use silicone molding in other product lines. The Company plans to use the bi-injection molding technology used by General Plastics to develop new innovative products for the packaging industry.

MANUFACTURING AND SOURCING

In 1996, approximately 96% of AptarGroup's finished products were manufactured or assembled at facilities owned or leased by AptarGroup. The balance was manufactured by subcontractors using plastic injection molds owned by AptarGroup. These subcontractors are primarily located in North America. The principal raw materials used in AptarGroup's production are plastic resins and certain metal products. AptarGroup believes an adequate supply of such raw materials is readily available from existing and alternate sources. The Company attempts to offset inflation through cost containment and increased selling prices over time, as allowed by market conditions. AptarGroup also purchases plastic and metal components that are used in the final assembly of its products from suppliers in North America and Europe. Certain suppliers of these components have unique technical abilities that make AptarGroup dependent on them, particularly for aerosol valve and pump production in North America. Significant delays in receiving components from these suppliers would require AptarGroup to seek alternate sources, which could result in higher costs as well as impact the ability of the Company to supply products in the short term. The Company has not experienced such delays in the past.

SALES AND DISTRIBUTION

Sales of products are primarily through AptarGroup's own sales force. To a limited extent, AptarGroup also uses the services of independent representatives and distributors who sell AptarGroup's products as independent contractors to certain smaller customers and export markets. Backlogs are not a significant factor in the industry in which the Company operates. Most orders placed with the Company are for delivery within 120 days. Some customers place blanket orders which extend beyond this delivery period; however, deliveries against these orders are subject to change.

CUSTOMERS

The demand for AptarGroup's products is influenced by the demand for the products of AptarGroup's customers. Demand for the products of AptarGroup's customers may be affected by general economic conditions, government regulations, tariffs and other trade barriers. AptarGroup's customers include many of the largest fragrance/cosmetics, personal care, pharmaceutical, household products and food marketers in the U.S. and Europe. The Company has over 1,000 customers with no single customer accounting for greater than 10% of 1996 net sales. Over the past few years, a consolidation of the Company's customer base has occurred. This trend is expected to continue. A concentration of customers may result in pricing pressures or a loss of volume. This situation also presents opportunities for increasing sales due to the breadth of the Company's product line and its international presence.

INTERNATIONAL BUSINESS

A significant portion of AptarGroup's operations is located in Europe. Sales in Europe for the years ended December 31, 1996, 1995 and 1994 were approximately 58%, 60%, and 59%, respectively, of net sales. The majority of units sold in Europe are manufactured at facilities in France, Germany, Ireland, Italy, Spain and Switzerland. Other foreign geographic areas serviced by AptarGroup include Australia, Brazil, Canada, England, Japan, and Mexico, though the combined sales from these areas is not significant to AptarGroup's consolidated sales. During 1996, the Company established a manufacturing facility in China that began producing aerosol valves in early 1997. Production of dispensing closures and pumps are planned to be added at this facility later in 1997.

FOREIGN CURRENCY

A significant portion of AptarGroup's operations is located outside of the United States. Because of this, movements in exchange rates may have a significant impact on the translation of financial position and results of operations of AptarGroup's foreign entities. In general, since the majority of the Company's operations are based in Europe, a weakening U.S. dollar relative to the major European currencies has a positive translation effect on the Company's financial condition and results of operations. Conversely, a strengthening U.S. dollar would have the opposite effect. AptarGroup has historically borrowed locally to hedge potential currency fluctuations for assets that were purchased outside of the United States.

In some cases, the Company sells products denominated in a currency different from the currency in which the respective costs are incurred. Changes in exchange rates on such inter-country sales impacts the Company's results of operations. The Company, at times, uses forward exchange contracts, primarily with banks, to hedge the currency risk associated with future cash receipts or payments.

WORKING CAPITAL PRACTICES

Collection and payment periods tend to be longer for the Company's operations located outside the United States due to local business customs. Historically, the Company has not needed to keep significant amounts of finished goods inventory to meet customer requirements.

EMPLOYEE AND LABOR RELATIONS

AptarGroup has approximately 3,900 full-time employees. Of the full-time employees, approximately 1,100 are located in North America and substantially all of the remaining 2,800 are located in Europe. No North American employee is covered by a collective bargaining agreement, while the majority of the Company's international employees are covered by collective bargaining arrangements made at either the local or government level in their respective countries. Termination of employees at certain AptarGroup European operations could be costly due to local regulations regarding severance benefits.

Management of AptarGroup considers its employee relations to be good.

COMPETITION

All of the markets in which AptarGroup operates are highly competitive and the Company continues to experience price competition in all product lines and markets. Competitors include privately and publicly-held entities, the majority being privately-held. AptarGroup's competitors range from regional to international companies. AptarGroup expects the market for its products to continue to be competitive.

AptarGroup believes its competitive advantages are consistent high levels of quality, service and innovation, geographic diversity and breadth of products. The Company's manufacturing strengths lie in the ability to mold complex plastic components in a cost-effective manner and to assemble products at high speeds.

ENVIRONMENT

AptarGroup's manufacturing operations primarily involve plastic injection molding and automated assembly processes. Historically, the environmental impact of these processes has been minimal, and management believes it meets current environmental standards in all material respects.

GOVERNMENT REGULATION

To date, the manufacturing and assembly operations of AptarGroup have not been significantly affected by environmental laws and regulations relating to the environment.

Certain AptarGroup products are affected by government regulation. Growth of packaging using aerosol valves has been restrained by concerns relating to the release of certain chemicals into the atmosphere. Both aerosol and pump packaging are affected by government regulations regarding the release of VOC's (volatile organic compounds) into the atmosphere. Certain states within the United States have regulations requiring the reduction in the amount of VOC's that can be released into the atmosphere and the potential exists for this type of regulation to expand to a worldwide basis, including Europe. These regulations require the Company's customers to reformulate certain aerosol and pump products which may affect the demand for such products. The Company owns patents and has developed systems to function with alternate propellant and product formulations.

Aerosol packaging of paints has also been adversely impacted by local regulations adopted in many large cities in the United States designed to address the problem of spray painted graffiti. Aerosol packaging may be adversely impacted by insurance cost considerations relating to the storage of aerosol products.

Government regulation in the dispensing closure product line primarily relates to waste reduction. The Company's dispensing closures are plastic and mainly consist of polypropylene, a recyclable plastic. The Company also uses recycled plastic in its manufacturing process.

Future government regulations could include medical cost containment elements. For example, reviews by various governments to determine the number of drugs or prices thereof that will be paid by their insurance systems could affect future sales to the pharmaceutical industry. Such regulation could adversely affect prices of and demand for the Company's pharmaceutical products. The Company believes that the recent focus on the cost effectiveness of the use of medications as compared to surgery and hospitalization provides an opportunity for the Company to expand sales to the pharmaceutical market. Regulatory decisions impact the Company's customers and could affect the Company's investment in products for the pharmaceutical market.

(d) FINANCIAL INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS AND EXPORT

SALES

Financial information concerning foreign and domestic operations and export sales is set forth in Note 15 ("Segment Information") to the Consolidated Financial Statements contained in the 1996 Annual Report to Stockholders, page 32, which is incorporated herein by reference.

Item 2. PROPERTIES

The principal offices and manufacturing facilities of AptarGroup are either owned or leased by the Company or its subsidiaries. None of the owned principal properties is subject to a lien or other encumbrance material to the operations of the Company. The Company believes that existing operating leases will be renegotiated as they expire or that suitable alternative properties can be leased on acceptable terms. The Company considers the condition and extent of utilization of its manufacturing facilities and other properties to be generally good, and the capacity of its plants to be adequate for the needs of its business.

The locations of the Company's principal manufacturing facilities, by country, are set forth below:

FRANCE	GERMANY	CHINA
Caen	Bohringen	Suzhou
Le Neubourg	Dortmund	
Le Vaudreuil	Eigeltingen	
Meaux		
Verneuil Sur Avre		

ITALY	NORTH AMERICA
San Giovanni Teatino (Chieti)	Cary, Illinois, USA
	Midland, Michigan, USA
	Mukwonago, Wisconsin, USA
	Norwalk, Connecticut, USA
	Queretaro, Mexico

In addition to the above countries, the Company has sales offices or other manufacturing facilities in Australia, Brazil, Canada, China, England, Ireland, Japan, Mexico, Spain, and Switzerland. The Company's corporate offices are located in Crystal Lake, Illinois.

Item 3. LEGAL PROCEEDINGS

LEGAL PROCEEDINGS

Legal proceedings involving the Company generally relate to product liability and patent infringement issues. In the opinion of AptarGroup's management, the outcome of pending claims and litigation is not likely to have a material adverse effect on the Company's financial position or the results of its operations.

Historically, product liability claims for all products of the Company have been minimal. However, with the expected increase in pump and aerosol valve applications for pharmaceutical products, product liability claims may increase. Quality control systems are specifically designed to prevent defects in the Company's products. Additionally, the Company maintains product liability insurance in excess of its historical claims experience.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY-HOLDERS

None.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The information set forth in Note 16 "Quarterly Data (Unaudited)" to the Consolidated Financial Statements contained in the Company's 1996 Annual Report to Stockholders, page 33, is incorporated herein by reference.

Item 6. SELECTED FINANCIAL DATA

The information set forth under the heading "Five Year Summary of Selected Financial Data" appearing on page 35 of the Company's 1996 Annual Report to Stockholders is incorporated herein by reference.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF CONSOLIDATED RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The information set forth under the heading "Management's Discussion and Analysis of Consolidated Results of Operations and Financial Condition" appearing on pages 36-39 of the Company's 1996 Annual Report to Stockholders is incorporated herein by reference.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information set forth under the headings "Consolidated Statements of Income," "Consolidated Balance Sheets," "Consolidated Statements of Cash Flows," "Consolidated Statements of Stockholders' Equity," "Notes to Consolidated Financial Statements" and "Report of Independent Accountants" appearing on pages 18-34 of the Company's 1996 Annual Report to Stockholders is incorporated herein by reference.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

Certain information required to be furnished in this part of the Form 10-K has been omitted because the Registrant will file with the Securities and Exchange Commission a definitive proxy statement pursuant to Regulation 14A under the Securities Exchange Act of 1934 not later than April 24, 1997.

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information set forth under the heading "Election of Directors" in the Registrant's Proxy Statement for the annual meeting of stockholders to be held on May 14, 1997, is incorporated herein by reference.

In addition to Messrs. Carl A. Siebel and Peter Pfeiffer, each of whom is a director and executive officer of the Company and information with respect to whom is incorporated by reference in this Item 10, executive officers of the Registrant are as follows:

Jacques Blanie, age 50, Executive Vice President of SeaquistPerfect Dispensing division since 1996 and Geschaftsfuhrer (i.e., Managing Director) of SeaquistPerfect Dispensing GmbH since 1986. In 1996, Perfect-Valois Ventil GmbH changed its name to SeaquistPerfect Dispensing GmbH.

Francois Boutan, age 54, Financial Director and Controller of the European operations of AptarGroup. Mr. Boutan has served in this capacity since 1988.

Pierre Cheru, age 63, Directeur General of Valois S.A. Mr. Cheru has served in this capacity since 1978.

Stephen J. Hagge, age 45, Executive Vice President and Chief Financial Officer, Secretary and Treasurer of AptarGroup since 1993. From 1985 to 1993 Mr. Hagge was the Vice President of Finance of the Seaquist Group.

Lawrence Lowrimore, age 52, Vice President-Human Resources of AptarGroup since 1993. From 1990 to 1993, Mr. Lowrimore was the Vice President of Human Resources of the Seaquist Group.

Francesco Mascitelli, age 46, Direttore Generale of SAR S.p.A., an Italian subsidiary. Mr. Mascitelli has served in this capacity since 1991.

James R. Reed, age 60, President of the SeaquistPerfect Dispensing division. Mr. Reed was President of the Seaquist Valve division since 1987. In 1993, Seaquist Valve changed its name to Seaquist Dispensing and in 1996 to SeaquistPerfect Dispensing.

Eric S. Ruskoski, age 49, President of the Seaquist Closures division. Mr. Ruskoski has served in this capacity since 1987.

Hans-Josef Schutz, age 52, Geschaftsfuhrer of the Pfeiffer Group. Mr. Schutz has served in this capacity since May of 1993. From 1983 through April of 1993, Mr. Schutz was the Vice President of the Pfeiffer Group.

Alain Vichot, age 63, Directeur General Adjoint of Valois S.A since 1994. From 1987 to 1994, Mr. Vichot was Directeur General of STEP S.A.

Item 11. EXECUTIVE COMPENSATION

The information set forth under the headings "Compensation Committee Interlocks and Insider Participation," "Board Compensation" and "Executive Compensation" (other than "Compensation Committee Report on Executive Compensation" and "Performance Graph") in the Registrant's Proxy Statement for the annual meeting of stockholders to be held on May 14, 1997, is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information set forth under the heading "Security Ownership of Certain Beneficial Owners and Management" in the Registrant's Proxy Statement for the annual meeting of stockholders to be held on May 14, 1997, is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information set forth under the heading "Certain Transactions" in the Registrant's Proxy Statement for the annual meeting of stockholders to be held on May 14, 1997, is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) The following documents are filed as a part of this report:

Location

1) Financial Statements required by Item 8 of this Form	
Consolidated Statements of Income	Annual Report, page 18
Consolidated Balance Sheets	Annual Report, page 19
Consolidated Statements of Cash Flows	Annual Report, page 20
Consolidated Statements of Stockholders' Equity	Annual Report, page 21
Notes to Consolidated Financial Statements	Annual Report, page 22
Report of Independent Accountants	Annual Report, page 34

2) Schedule required by Article 12 of Regulation S-X

Report of Independent Accountants on Financial Statement Schedule	page 16
II Valuation and Qualifying Accounts	page 17

All other schedules have been omitted because they are not applicable or not required.

3) Exhibits required by Item 601 of Regulation S-K are incorporated by reference to the Exhibit Index on pages 18-19 of this report.

(b) Reports on Form 8-K during the quarter ended December 31, 1996:

No reports on Form 8-K were filed during the quarter ended December 31, 1996.

SIGNATURES

Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on this day 21st of March 1997.

APTARGROUP, INC.
(Registrant)

By /s/Stephen J. Hagge
Executive Vice President and Chief
Financial Officer, Secretary and Treasurer
(Principal Accounting and Financial Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant in the capacities and on the date indicated.

NAME	TITLE	DATE
/s/ King Harris King Harris	Chairman of the Board and Director	March 21, 1997
/s/ Carl Siebel	President and Chief Executive Officer and	

Carl Siebel	Director (Principal Executive Officer)	March 21, 1997
/s/ Peter Pfeiffer Peter Pfeiffer	Vice Chairman of the Board and Director	March 21, 1997
/s/ Stephen H. Hagge Stephen J. Hagge	Executive Vice President and Chief Financial Officer, Secretary and Treasurer	March 21, 1997

NAME	TITLE	DATE
/s/ Eugene L. Barnett Eugene L. Barnett	Director	March 21, 1997
/s/ Ralph Gruska Ralph Gruska	Director	March 21, 1997
/s/ Leo A. Guthart Leo A. Guthart	Director	March 21, 1997
/s/ William Harris William Harris	Director	March 21, 1997
/s/ Ervin J. LeCoque Ervin J. LeCoque	Director	March 21, 1997
/s/ Alfred Pilz Alfred Pilz	Director	March 21, 1997

REPORT OF INDEPENDENT ACCOUNTANTS ON
FINANCIAL STATEMENT SCHEDULE

To the Board of Directors of AptarGroup, Inc.

Our audits of the consolidated financial statements referred to in our report dated February 20, 1997, appearing on page 34 of the 1996 Annual Report to Stockholders of AptarGroup, Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the Financial Statement Schedule listed in Item 14(a)(2) of this Form 10-K. In our opinion, this Financial Statement Schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

/s/ Price Waterhouse LLP

PRICE WATERHOUSE LLP

Chicago, Illinois
February 20, 1997

AptarGroup, Inc.
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 1996, 1995 AND 1994
(Dollars in Thousands)

	Balance at beginning of period	Charged to costs and expenses	Acquisition	Deductions from reserve (a)	Balance at end of period
1996 Allowance for doubtful accounts	$3,296	$1,148	$ --	$ 821	$3,623
1995 Allowance for doubtful accounts	$1,697	$1,580	$ 76	$ 57	$3,296
1994 Allowance for doubtful accounts	$1,719	$ 977	$ --	$ 999	$1,697

(a) Write-off of accounts considered uncollectible, net of recoveries. Includes valuation accounts of divested companies and foreign currency translation adjustments, net.

INDEX TO EXHIBITS

Sequential
Number and Description of Exhibit Page Number***

3(i) Amended and Restated Certificate of Incorporation of the Company, filed as Exhibit 6.1 to the Company's Registration Statement on Form 8-A filed under the Exchange Act on April 5, 1993 (File No. 1-11846), is hereby incorporated by reference.

3(ii) Amended and Restated By-Laws of the Company.

4.1 Rights Agreement dated as of April 6, 1993 between the Company and Chemical Bank, as rights agent, filed as Exhibit 4.1 of the Company s Annual Report on Form 10-K for the year ended December 31, 1993 (File No. 1-11846), is hereby incorporated by reference.

4.2 Certificate of Designation, Preferences and Rights of Junior Participating Preferred Stock, Series A, of the Company, filed as Exhibit 6.4 of the Company's Registration Statement on Form 8-A filed under the Exchange Act on April 5, 1993 (File No. 1-11846), is hereby incorporated by reference.

The Registrant hereby agrees to provide the Commission, upon request, copies of instruments defining the rights of holders of long-term debt of the Registrant and its subsidiaries as are specified by item 601(b)(4)(iii)(A) of Regulation S-K.

10.1 AptarGroup, Inc. 1992 Stock Awards Plan, filed as Exhibit 10.1 (included as Appendix B to the Prospectus) to the Company's Registration Statement on Form S-1, Registration Number 33-58132, filed on February 10, 1993, is hereby incorporated by reference.**

10.2 AptarGroup, Inc. 1992 Director Stock Option Plan, filed as Exhibit 10.2 (included as Appendix C to the Prospectus) to the Company's Registration Statement on Form S-1, Registration Number 33-58132, filed on February 10, 1993, is hereby incorporated by reference.**

10.3 Agreement of Employment dated as of March 28, 1990 of Ervin J. LeCoque, filed as Exhibit 10.3 to the Company's Registration Statement on Form S-1, Registration Number 33-58132, filed on February 10, 1993, is hereby incorporated by reference.**

10.4 Managing Director Employment Agreement dated January 2, 1981 of Mr. Peter Pfeiffer, filed as Exhibit 10.4 to the Company's Registration Statement on Form S-1, Registration Number 33-58132, filed on February 10, 1993, is hereby incorporated by reference.**

10.5 Service Agreement dated April 30, 1981, of Carl A. Siebel, and related pension plan, filed as Exhibit 10.5 to the Company's Registration Statement on Form S-1, Registration Number 33-58132, filed on February 10, 1993, is hereby incorporated by reference.**

10.6 Service agreement dated April 22, 1993, between AptarGroup, Inc. and Peter Pfeiffer, and related pension plan, filed as Exhibit 10.6 of the Company s Annual Report on Form 10-K for the year ended December 31, 1993 (File No. 1-11846), is hereby incorporated by reference.**

10.7 First supplement dated 1989 pertaining to the pension plan between Perfect-Valois Ventil GmbH and Carl A. Siebel, filed as Exhibit 10.7 of the Company s Annual Report on Form 10-K for the year ended December 31, 1993 (File No. 1-11846), is hereby incorporated by reference.**

10.8 Pittway Guarantee dated February 2, 1990, pertaining to the pension plan between Perfect-Valois Ventil GmbH and Carl A. Siebel, filed as Exhibit 10.8 of the Company s Annual Report on Form 10-K for the year ended December 31, 1993 (File No. 1-11846), is hereby incorporated by reference.**

10.9 Assignment, Assumption and Release as of April 22, 1993, among Pittway Corporation, AptarGroup, Inc., and Ervin J. LeCoque, filed as Exhibit 10.9 of the Company s Annual Report on Form 10-K for the year ended December 31, 1993 (File No. 1-11846), is hereby incorporated by reference.**

10.10 Assignment, Assumption and Release as of April 22, 1993, among Pittway Corporation, AptarGroup, Inc., and Carl A. Siebel, filed as Exhibit 10.10 the Company s Annual Report on Form 10-K for the year ended

December 31, 1993 (File No. 1-11846), is hereby incorporated by reference.**

10.11 Second supplement dated December 19, 1994 pertaining to the pension plan between Perfect-Valois Ventil GmbH and Carl A. Siebel, filed as Exhibit 10.11 of the Company s Annual Report on Form 10-K for the year ended December 31, 1994 (File No. 1-11846), is hereby incorporated by reference.**

10.12 Managing Director Employment Agreement dated November 15, 1993 of Hans-Josef Schutz, and related pension plan dated October 20, 1989, filed as Exhibit 10.12 of the Company s Annual Report on Form 10-K for the year ended December 31, 1994 (File No. 1-11846), is hereby incorporated by reference.**

10.13 Amendment to Agreement of Employment dated November 20, 1995 of Ervin J. LeCoque, filed as Exhibit 10.13 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995 (File No. 1-11846), is hereby incorporated by reference.**

10.14 Executive Employment Agreement dated February 1, 1996 of Stephen J. Hagge, filed as Exhibit 10.14 of the Company's Annual Report on Form 10-K for the year ended December 31, 1995 (File No. 1-11846), is hereby incorporated by reference.**

10.15 AptarGroup, Inc. 1996 Stock Awards Plan, Filed as Appendix A to the Company's Proxy Statement, dated April 10, 1996 (File No. 1-11846), is hereby incorporated by reference.**

10.16 AptarGroup, Inc. Director Stock Option Plan, filed as Appendix B to the Company's Proxy Statement, dated April 10, 1996 (File No. 1-11846), is hereby incorporated by reference.**

10.17* Employment Agreement dated March 6, 1996 of Eric S. Ruskoski.**

13* 1996 Annual Report to Stockholders (such report, except to the extent specifically incorporated herein by reference, is being furnished for the information of the Securities and Exchange Commission only and is not to be deemed filed as a part of this Form 10-K).

21* List of Subsidiaries.

23* Consent of Independent Accountants.

27* Financial Data Schedule

* Filed herewith.
** Management contract or compensatory plan or arrangement.
*** This information appears only in the manually signed original of this Form 10-K.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT between AptarGroup, Inc., a Delaware corporation (the "Company"), and Eric S. Ruskoski (the "Executive") is entered into on February 1, 1996. In consideration of the covenants contained herein, the parties agree as follows:

1. Employment. The Company shall employ the Executive, and the Executive agrees to be employed by the Company, upon the terms and subject to the conditions set forth herein for the period beginning on February 1, 1996 and ending on February 1, 1999, unless earlier terminated pursuant to Section 4 hereof; provided, however, that such term shall automatically be extended as of each February 1, commencing February 1, 1997, for one additional year unless either the Company or the Executive shall have terminated this automatic extension provision by written notice to the other party at least 30 days prior to the automatic extension date; and provided further that in no event shall such term extend beyond September 12, 2012. The term of employment in effect from time to time hereunder is hereinafter called the "Employment Period."

2. Position and Duties. During the Employment Period, the Executive shall serve as the President of the Closures Division or in such other executive position as determined by the Chief Executive Officer of the Company (the "Company CEO") and shall have the normal duties, responsibilities and authority of an executive serving in such position, subject to the direction of the Chief Executive Officer of the Company (the "Company CEO"). The Executive shall have the title of President of the Division or such other title denoting an executive office as determined by the Company CEO and shall report to the Company CEO or such other executive officer of the Company as determined by the Company CEO. During the Employment Period, the Executive shall devote his best efforts and his full business time to the business and affairs of the Company.

3. Compensation and Benefits. (a) The Company shall pay the Executive a salary during the Employment Period, in monthly installments, initially at the rate of $210,000.00 per annum. The Company CEO may, in his sole discretion (i) increase (but not decrease) such salary from time to time and (ii) award a bonus to the Executive for any calendar year during the Employment Period.

(b) The Company shall reimburse the Executive for all reasonable expenses incurred by him in the course of performing his duties under this Agreement which are consistent with the Company's policies in effect from time to time.

(c) During the Employment Period, the Executive shall be entitled to participate in the Company's executive benefit programs on the same basis as other executives of the Company having the same level of responsibility, which programs consist of those benefits (including insurance, vacation, company car or car allowance and/or other benefits) for which substantially all of the executives of the Company are from time to time generally eligible, as determined from time to time by the Board.

(d) In addition to participation in the Company's executive benefit programs pursuant to Sec.3(c), the Executive shall be entitled during the Employment Period to:

(i) additional term life insurance coverage in an amount equal to the Executive's salary; but only if and so long as such additional coverage is available at standard rates from the insurer providing term life insurance coverage under the Executive benefit programs or a comparable insurer acceptable to the Company (If the Executive is not participating in term life insurance coverage under the Executive benefit programs and if such additional coverage would be available at standard rates from such insurer if the Executive were so participating, the Executive shall instead be entitled to an amount each calendar year, payable monthly, equal to the amount the Company would have been required to pay for such additional coverage for such year); or if the executive is not participating in the additional life insurance coverage and if the Employment Period ends on account of the Executive's death, the Company shall pay to the Executive's estate (or such person or persons as the Executive may designate in a written instrument signed by him and delivered to the Company prior to his death), amounts equal to one-half of the amounts the Executive would have received as salary (based on the Executive's salary then in effect) had the Employment Period remained in effect until the second anniversary of the date of the Executive's death, at the times such amounts would have been paid.

(ii) supplementary long-term disability coverage in an amount which will increase maximum covered annual compensation to $330,000 and maximum monthly payments to $18,333; but only if and so long as such supplementary coverage is available at standard rates from the insurer providing long-term disability coverage under the Executive benefit program or a comparable insurer acceptable to the Company.

4. Termination of Employment. (a) The Employment period shall end upon the first to occur of: (i) the expiration of the term of this Agreement pursuant to Section 1 hereof, (ii) retirement of the Executive at age 65 ("Retirement"), (iii) termination of the Executive's employment by the Company on account of the Executive's having become unable (as determined by the Board in good faith) to regularly perform his duties hereunder by reason of illness or incapacity for a period of more than six consecutive months ("Termination for Disability"), (iv) termination of the Executive's employment by the Company for Cause ("Termination for Cause"), (v) termination of the executive's employment by the Company other than a Termination for Disability or a Termination for (Cause ("Termination Without Cause"), (vi) the Executive's death or (vii) termination of the Executive's employment by the Executive for any reason following written notice to the Company at least 90 days prior to the date of such termination ("Termination by the Executive").

(b) For purposes of the Agreement, "Cause" shall mean (i) the commission of a felony involving moral turpitude, (ii) the commission of a fraud, (iii) the commission of any act involving dishonesty with respect to the Company or any of its subsidiaries or affiliates, (iv) gross negligence or willful misconduct with respect to the Company or any of its subsidiaries or affiliates, (v) breach of any provision of Section 5 or Section 6 hereof or (vi) any other breach of this Agreement which is material and which is not cured within 30 days following written notice thereof to the Executive by the Company.

(c) If the Employment Period ends for any reason set forth in Section 4(a), except as otherwise provided in this Section 4, the Executive shall cease to have any rights to salary, bonus (if any) or benefits hereunder, other than (i) any unpaid salary accrued through the date of such termination, (ii) any bonus payable, but only if such termination occurs during the third or fourth quarter of the Company's fiscal year, such bonus to be prorated in accordance with Company policy, (iii) any unpaid expenses which shall have been incurred as of the date of such termination and (iv) to the extent provided in any benefit plan in which the Executive has participated, any plan benefits which by their terms extend beyond termination of the Executive's employment. Notwithstanding the foregoing, if the Employment Period ends on account of Termination by the Executive or Termination for Cause, the Executive shall not be entitled to any unpaid bonus accrued through the date of such termination.

(d) If the Employment Period ends on account of Retirement, the Company shall make no payments to the Executive other than as provided in Section 4(c) hereof.

(e) If the Employment Period ends on account of Termination for Disability, the Company shall pay to the Executive, in addition to the amounts described in Section 4(c) hereof, amounts equal to one-half of the amounts the Executive would have received as salary (based on the Executive's salary then in effect) had the Employment Period remained in effect until the second anniversary of the date of such termination, at the times such amounts would have been paid, less any payments to which the Executive shall be entitled during such salary continuance period under any disability benefit plan in which the Executive has participated as an employee of the Company.

(f) If the Employment Period ends on account of the Executive's death, the Company shall pay to the Executive's estate (or such person or persons as the Executive may designate in a written instrument signed by him and delivered to the Company prior to his death) amounts equal to one-half of the amounts the Executive would have received as salary (based on the Executive's salary then in effect) had the Employment Period remained in effect until the second anniversary of the date of the Executive's death, at the times such amounts would have been paid.

(g) If the Employment Period ends on account of Termination without Cause, in addition to the amounts described in Section 4 (c) hereof, the Company shall pay to the Executive amounts equal to the amounts the Executive would have received as salary (based on the Executive's salary then in effect) had the Employment Period remained in effect until the date on which (without any extension thereof, or, if previously extended, without any further extension thereof) it was then scheduled to end, at the times such amounts would have been paid (in the event the Executive is entitled during the payment period to any payments under any disability benefit plan or the like in which the Executive has participated as an employee of the Company, less such payments); provided, however, that in the event of the Executive's death during the payment period, the Company shall pay to the Executive's estate (or such person or persons as Executive may designate in a written instrument signed by him and delivered to the Company prior to his death) amounts during the remainder of the payment period equal to one-half of the amounts which would have been paid to the Executive but for his death. It is expressly understood that the Company's payment obligation under this section 4 (g) shall cease in the event the Executive shall breach any provision of Section 5 or Section 6 hereof.

(h) Notwithstanding the foregoing provisions of this Section 4, in the event of a Change in Control (as defined in Section 4 (i) hereof), the employment of the Executive hereunder shall not be terminated by the Company or any successor to the Company within two years following such Change in Control unless the Executive receives written notice of such termination from the Company at least six months prior to the date of such termination. In the event of such termination of employment by the Company within two years following a Change in Control, or in the event that the Executive terminates his employment hereunder for Good Reason (as defined in Section 4 (i) hereof) within two years following a Change in Control, the Executive shall be entitled to receive the amounts the Executive would have received as salary (based on the Executive's salary then in effect) at the times such amounts would otherwise have been paid had the Employment Period remained in effect for the period commencing on the date of such termination and ending 18 months following the date of such termination. The Executive agrees that he shall not terminate his employment hereunder, other than for Good Reason, within one year following a Change in Control unless the Company receives written notice of such termination from the Executive at least six months prior to the date of such termination. In the event of such termination by the Executive other than for Good Reason, the Executive shall be entitled to receive the amounts the Executive would have received as salary (based on the Executive's salary then in effect) at the times such amounts would otherwise have been paid had the Employment Period remained in effect for six months following the date of such termination.

(i) For purposes of this Agreement (i) a "Change in Control" shall be deemed to have occurred if any person becomes the holder of securities representing a majority of the voting power of the Company, whether by merger, consolidation, tender offer or otherwise and (ii) "Good Reason" shall mean (x) a reduction by the Company in the Executive's rate of annual salary in effect immediately prior to the Change in Control, (y) a material reduction in any benefit afforded to the Executive pursuant to any benefit plan of the Company in effect immediately prior to the Change in Control, unless all comparable executives of the Company suffer a substantially similar reduction or (z) the relocation of the Executive's office to a location more than 60 miles from

Crystal Lake, Illinois.

(j) Notwithstanding anything in this Agreement to the contrary, in the event it shall be determined that any payment or distribution by the Company or its affiliated companies to or for the benefit of the Executive (whether paid or payable or distributed or distributable pursuant to the terms of this agreement or otherwise, but determined without regard to any adjustment required under this Section 4 (j)) (in the aggregate, the "Total Payments") would be subject to the excise tax (the "Excise Tax") imposed by Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code), then the payments due hereunder shall be reduced so that the Total Payments are one Dollar ($1) less than such maximum amount.

(k) All determinations required to be made under Section 4 (j), including whether and when a reduction pursuant to Section 4 (j) in the amount payable hereunder is required and the amount of any such reduction and the assumptions to be utilized in arriving at such determination, shall be made by the Company's public accounting firm (the "Accounting Firm") which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the receipt of notice from the Executive that there has been a payment, or such earlier time as is requested by the Company or the Executive. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Executive shall appoint another nationally recognized public accounting firm to make the determinations required hereunder (which accounting firm shall then be referred to as the Accounting Firm hereunder). All fees and expenses of the Accounting Firm shall be borne solely by the Company. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with a written option that failure to report the Excise Tax on the Executive's applicable federal income tax return would not result in the imposition of a negligence or similar penalty. Any determination by the Accounting Firm shall be binding upon the Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that the reduction in the amount payable hereunder pursuant to Section 4 (j) will have been less than that required by the calculations to be made hereunder. In such event the Executive shall promptly pay to the Company the amount of any additional reduction.

(5) Confidential Information. The Executive acknowledges that the information, observations and data obtained by him while employed by the Company pursuant to this Agreement, as well as those obtained by him while employed by the Company or any of its subsidiaries or affiliates or any predecessor thereof prior to the date of this Agreement, concerning the business or affairs of the Company or any of its subsidiaries or affiliates or any predecessor thereof ("Confidential Information") are the property of the Company or such subsidiary or affiliate. Therefore, the Executive agrees that he shall not disclose to any unauthorized person or use for his own account any Confidential Information without the prior written consent of the Company CEO unless and except to the extent that such Confidential Information becomes generally known to and available for use by the public other than as a result of the Executive's acts or omissions to act. The Executive shall deliver to the Company at the termination of the Employment Period, or at any other time the Company may request, all memoranda, notes, plans, records, reports, computer tapes and software and other documents and data (and copies thereof) relating to the Confidential Information or the business of the Company or any of its subsidiaries or affiliates which he may then possess or have under his control.

6. Noncompetition; Nonsolicitation. (a) The Executive acknowledges that in the course of his employment with the Company pursuant to this Agreement he will become familiar, and during the course of his employment by the Company or any of its subsidiaries or affiliates or any predecessor thereof prior to the date of this Agreement he has become familiar, with trade secrets and customer lists of and other confidential information concerning the Company and its subsidiaries and affiliates and predecessors thereof and that his services have been and will be of special, unique and extraordinary value to the Company.

(b) The Executive agrees that during the Employment Period and for one year thereafter, in the case of either Termination for Good Reason following a Change in Control or Termination without Cause, or for two years thereafter in the case of termination of employment for any other reason, (the "Noncompetition Period") he shall not in any manner, directly or indirectly, through any person, firm or corporation, alone or as a member of a partnership or as an officer, director, stockholder, investor or employee of or in any other corporation or enterprise or otherwise, engage or be engaged, or assist any other person, firm corporation or enterprise in engaging or being engaged, in any business then actively being conducted by the Company in any geographic area in which the Company is conducting such business (whether through manufacturing or production, calling on customers or prospective customers, or otherwise). Notwithstanding the foregoing, subsequent to the Employment period the Executive may engage or be engaged, or assist any other person, firm corporation or enterprise in engaging or being engaged, in any business activity which is not competitive with a business activity being conducted by the Company at the time subsequent to the Employment Period that the Executive first engages or assists in such business activity.

(c) The Executive further agrees that during the Noncompetition Period he shall not in any manner, directly or indirectly (i) induce or attempt to induce any employee of the Company or of any of its subsidiaries or affiliates to terminate or abandon his employment, or any customer of the company or any of its subsidiaries or affiliates to terminate or abandon its relationship, for any purpose whatsoever, or (ii) in connection with any business to which (b) above applies, call on, service, solicit or otherwise do business with any then current or prospective customer of the Company or any of its subsidiaries or affiliates.

(d) Nothing in this Section 6 shall prohibit the Executive from being (i) a stockholder in a mutual fund or a diversified investment company or (ii) a passive owner of not more than 2% of the outstanding stock of any class of a corporation any securities of which are publicly traded, so long as the Executive has no active participation in the business of such corporation.

(e) If, at the time of enforcement of this Section 6, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope or geographical area reasonable under such circumstances shall be substituted for the stated period, scope or area and that the court shall be allowed to revise the restrictions contained herein to cover the maximum period, scope and area permitted by law.

7. Enforcement. Because the services of the Executive are unique and the Executive has access to confidential information of the Company, the parties hereto agree that the Company would be damaged irreparably in the event any provision of Section 5 or Section 6 hereof were not performed in accordance with their respective terms or were otherwise breached and that money damages would be in an inadequate remedy for any such nonperformance or breach. Therefore, the Company or its successors or assigns shall be entitled, in addition to other rights and remedies existing in their favor, to an injunction or injunctions to prevent any breach or threatened breach of any of such provisions and to enforce such provisions specifically (without posting a bond or other security).

8. Survival. Sections 5, 6 and 7 hereof shall survive and continue in full force and effect in accordance with their respective terms, notwithstanding any termination of the Employment Period.

9. Notices. Any notice provided for in this Agreement shall be in writing and shall be either personally delivered, or sent by certified mail, return receipt requested, postage paid, addressed (a) if to the Executive, to 21865 Old Farm Rd., Barrington, Illinois 60010, and if to the Company, to AptarGroup, Inc. 475 West Terra Cotta Avenue, Suite E, Crystal Lake, Illinois 60014, attention: Stephen J. Hagge, Executive Vice President, Chief Financial Officer, Secretary and Treasurer, or (b) to such other address as either party shall have furnished to the other in accordance with this Section 9.

10. Severability. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under

applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

11. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes and preempts any prior understandings, agreements or representations by or between the parties, written or oral, which may have related in any manner to the subject matter hereof.

12. Successors and Assigns. This Agreement shall inure to the benefit of and be enforceable by the Executive and his heirs, executors and personal representatives, and the Company and its successors and assigns. Any successor or assign of the Company shall assume the liabilities of the Company hereunder.

13. Governing Law. This Agreement shall be governed by the internal laws (as opposed to the conflicts of law provisions) of the State of Illinois.

14. Amendment and Waiver. The provisions of this Agreement may be amended or waived only with the prior written consent of the Company and the Executive, and no course of conduct or failure or delay in enforcing the provisions of this Agreement shall affect the validity, binding effect or enforceability of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

APTARGROUP, INC.
By: /s/ Carl A. Siebel
Its: CEO

/s/ Eric S. Ruskoski
Eric S. Ruskoski   March 6, 1996
(Executive)

CONSOLIDATED STATEMENTS OF INCOME

Years Ended December 31, (Dollars in thousands, except per share)	1996	1995	1994
NET SALES	$615,808	$557,455	$474,266
OPERATING EXPENSES:			
Cost of sales	399,654	358,418	301,547
Selling, research & development and administrative	104,282	96,237	85,672
Depreciation and amortization	47,876	43,502	38,377
	551,812	498,157	425,596
OPERATING INCOME	63,996	59,298	48,670
OTHER INCOME (EXPENSE):			
Interest expense	(6,330)	(5,918)	(8,173)
Interest income	1,132	1,339	1,291
Equity in income of affiliates	691	1,888	1,942
Minority interests	(324)	(87)	186
Miscellaneous, net	1,008	1,082	(580)
	(3,823)	(1,696)	(5,334)
INCOME BEFORE INCOME TAXES	60,173	57,602	43,336
PROVISION FOR INCOME TAXES	22,625	21,888	16,078
NET INCOME	$ 37,548	$ 35,714	$ 27,258
NET INCOME PER COMMON SHARE	$ 2.09	$ 1.99	$ 1.65

See accompanying notes to consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

December 31, (Dollars in thousands, except per share)	1996	1995
ASSETS		
CURRENT ASSETS:		
Cash and equivalents	$ 16,386	$ 17,332
Accounts and notes receivable, less allowance for doubtful accounts of $3,623 in 1996 and $3,296 in 1995	130,885	119,011
Inventories	75,930	73,339
Prepayments and other	14,030	14,188
	237,231	223,870
PROPERTY, PLANT AND EQUIPMENT:		
Buildings and improvements	75,971	75,696
Machinery and equipment	440,743	397,169
	516,714	472,865
Less: Accumulated depreciation	(265,780)	(231,152)
	250,934	241,713

Land	4,395	4,268
	255,329	245,981
OTHER ASSETS:		
Investments in affiliates	14,970	14,951
Goodwill, less accumulated amortization of $5,505 in 1996 and $4,409 in 1995	47,261	48,387
Miscellaneous	21,345	26,027
	83,576	89,365
TOTAL ASSETS	$576,136	$559,216
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Notes payable	$ 4,145	$ 8,322
Current maturities of long-term obligations	9,540	8,737
Accounts payable and accrued liabilities	102,574	106,147
	116,259	123,206
LONG-TERM OBLIGATIONS	76,569	80,712
DEFERRED LIABILITIES AND OTHER:		
Deferred income taxes	22,884	21,992
Retirement and deferred compensation plans	12,952	12,487
Minority interests	4,381	1,033
Deferred and other non-current liabilities	7,392	7,500
	47,609	43,012
STOCKHOLDERS' EQUITY:		
Preferred stock, $.01 par value, 1 million shares authorized, none outstanding		
Common stock, $.01 par value, 45 million shares authorized, 17.9 million outstanding in 1996 and 1995	179	179
Capital in excess of par value	103,572	102,954
Retained earnings	233,385	200,860
Cumulative foreign currency translation adjustment	(1,437)	8,293
	335,699	312,286
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$576,136	$559,216

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, (Dollars in thousands)	1996	1995	1994
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 37,548	$ 35,714	$ 27,258
Adjustments to reconcile net income to net cash provided by operations:			
Depreciation	44,798	41,446	36,261
Amortization	3,078	2,056	2,116
Provision for bad debts	1,148	1,580	977
Minority interests	324	87	(186)
Deferred income taxes	4,149	2,762	817
Retirement and deferred compensation plans	381	2,501	907

Equity in income of affiliates in excess of cash distributions received	(590)	(1,721)	(1,691)
Changes in balance sheet items, excluding effects from acquisitions and foreign currency adjustments:			
Increase in accounts and notes receivable	(15,828)	(13,263)	(9,630)
Increase in inventories	(5,211)	(9,142)	(5,220)
(Increase)/decrease in prepaid and other current assets	(631)	4,409	(111)
Increase/(decrease) in accounts payable and accrued liabilities	630	(3,543)	5,512
Other changes, net	(2,480)	(1,190)	(2,013)
NET CASH PROVIDED BY OPERATIONS	67,316	61,696	54,997
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditures	(62,794)	(55,481)	(41,870)
Disposition of property and equipment	858	1,980	2,397
Disposition/(acquisition) of businesses, net	1,942	(20,310)	(1,314)
Investments in affiliates	(11)	(9,798)	(780)
Collection (issuance) of notes receivable, net	804	(1,136)	63
NET CASH USED BY INVESTING ACTIVITIES	(59,201)	(84,745)	(41,504)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from notes payable	--	3,871	--
Repayments of notes payable	(2,521)	--	(27,874)
Proceeds from long-term obligations	7,935	31,018	4,424
Repayments of long-term obligations	(9,629)	(10,745)	(28,008)
Dividends paid	(5,023)	(4,659)	(3,808)
Proceeds from sale of common stock	--	--	44,029
Proceeds from stock options exercised	618	234	10
NET CASH (USED)/ PROVIDED BY FINANCING ACTIVITIES	(8,620)	19,719	(11,227)
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(441)	537	1,443
NET (DECREASE)/ INCREASE IN CASH AND EQUIVALENTS	(946)	(2,793)	3,709
CASH AND EQUIVALENTS AT BEGINNING OF PERIOD	17,332	20,125	16,416
CASH AND EQUIVALENTS AT END OF PERIOD	$16,386	$17,332	$20,125
Supplemental Cash Flow Disclosure:			
Interest paid	$ 6,218	$ 5,653	$ 7,571
Income taxes paid	$ 19,121	$ 15,280	$ 15,747

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

Years Ended December 31, 1996, 1995 and 1994 (Amounts in thousands, except per share)	Common Stock Shares	Common Stock Par Value	Capital in Excess of Par Value	Retained Earnings	Cumulative Foreign Currency Translation Adjustment
BALANCE - DECEMBER 31, 1993	16,079	$ 161	$ 58,700	$ 146,355	$(14,854)

Sale of common stock	1,835	18	44,011		
Net income				27,258	
Options exercised	--	--	9		
Cash dividends declared on common stock- $ .23 per share				(3,808)	
Translation adjustment					12,760
BALANCE- DECEMBER 31, 1994	17,914	179	102,720	169,805	(2,094)
Net income				35,714	
Options exercised	11	--	234		
Cash dividends declared on common stock- $ .26 per share				(4,659)	
Translation adjustment					10,387
BALANCE- DECEMBER 31, 1995	17,925	179	102,954	200,860	8,293
Net income				37,548	
Options exercised	25	--	618		
Cash dividends declared on common stock- $ .28 per share				(5,023)	
Translation adjustment					(9,730)
BALANCE- DECEMBER 31, 1996	17,950	$ 179	$ 103,572	$ 233,385	$ (1,437)

<FN>

See accompanying notes to consolidated financial statements.
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTs (Dollars in thousands, except per share)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS AptarGroup, Inc. is an international company that designs, manufactures and sells consumer product dispensing systems. The Company focuses on providing value-added components to a variety of global consumer product marketers in fragrance/cosmetics, personal care, pharmaceutical, household products and food industries. The Company has manufacturing facilities primarily located in the United States and Europe.

BASIS OF PRESENTATION The accompanying consolidated financial statements include the accounts of AptarGroup, Inc. and its subsidiaries. The terms "AptarGroup" or "Company" as used herein refer to AptarGroup, Inc. and its subsidiaries. All significant intercompany accounts and transactions have been eliminated. Certain previously reported amounts have been reclassified to conform to the current period presentation.

CASH MANAGEMENT The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

INVENTORIES Inventories are stated at cost, which is lower than market. Costs included in inventories are raw materials, direct labor and manufacturing overhead. Cost of substantially all domestic inventories and the inventory of one foreign operation is determined by using the last-in, first-out ("LIFO") method, while the remaining inventories are valued using the first-in, first-out (FIFO) method.

INVESTMENTS IN AFFILIATED COMPANIES The Company accounts for its investments in minority owned affiliated companies using the equity method. These investments are in companies that manufacture and distribute products similar to the Company"s products or supply components to the Company. Dividends from affiliated companies received in 1996, 1995 and 1994 amounted to $101, $167, and $251, respectively.

PROPERTY AND DEPRECIATION Properties are stated at cost. Depreciation is determined on a straight-line basis over the estimated useful lives for financial reporting purposes and accelerated methods for income tax reporting. Generally, the estimated useful lives are 25 to 40 years for buildings and improvements and 3 to 10 years for machinery and equipment.

INTANGIBLE ASSETS Management believes goodwill acquired in purchase transactions has continuing value. It is the Company's policy to amortize such costs primarily over a period of 40 years using the straight-line method. Other intangibles, consisting of patents, non-compete agreements and license agreements, acquired in purchase transactions or developed, are capitalized and amortized over their useful lives. Management assesses the value of the recorded goodwill and other intangibles using projected undiscounted cash flows to determine if an impairment has occurred. It is management's opinion that no such impairment exists.

DERIVATIVES Gains and losses on hedges of existing assets or liabilities are included in the carrying amount of those assets or liabilities and are ultimately recognized in income as part of those carrying amounts. Gains and losses related to qualifying hedges of firm commitments also are deferred and are recognized in income or as adjustments of carrying amounts when the hedged transaction occurs.

RESEARCH & DEVELOPMENT EXPENSES Research and development costs are expensed as incurred. These costs amounted to $20,120, $17,473, and $15,272 in 1996, 1995 and 1994, respectively.

INCOME TAXES A provision has not been made for U.S. or additional foreign taxes on $154,512 of undistributed earnings of foreign subsidiaries. These earnings will continue to be reinvested and could become subject to additional tax if they were remitted as dividends, or lent to a U.S. affiliate, or if the Company should sell its stock in the subsidiaries. It is not practicable to estimate the amount of additional tax that might be payable on the foreign earnings should they be distributed.

TRANSLATION OF FOREIGN CURRENCIES The functional currencies of all the Company's foreign operations are the local currencies. Assets and liabilities are translated into U.S. dollars at the rates of exchange on the balance sheet date. Revenue and expenses are translated at the average rates of exchange prevailing during the year and the related translation adjustments are accumulated in a separate section of stockholders' equity. Foreign currency transaction gains and losses are reflected in income, as a component of miscellaneous income and expense, and are not significant to the consolidated results of operations for the years presented.

EARNINGS PER SHARE Earnings per common share for 1996, 1995 and 1994 has been calculated based upon the weighted average number of shares of common stock outstanding during the year of approximately 17.9 million, 17.9 million and 16.5 million, respectively.

NOTE 2--SALE OF COMMON STOCK

In October 1994, the Company sold an additional 1,834,500 shares of its common stock. Net proceeds to the Company totaled approximately $44 million. The Company used substantially all of such proceeds to repay debt and to position the Company for financing future acquisitions.

NOTE 3--ACQUISITIONS AND DISPOSITIONS

Acquisitions and dispositions in 1996 were not significant.

During 1995, the Company acquired a controlling interest in two companies for approximately $22 million in cash and $3 million in assumed debt. These acquisitions have been accounted for as purchases. In addition, the Company also acquired a minority interest in a company for an initial payment of approximately $9 million. The minority interest purchase agreement includes a provision that adjusts the purchase price based on earnings of the company from 1995 through 1997. The Company does not believe that any additional payment or refund as a result of the purchase price adjustment will be material to the financial statements. If the transactions noted above had occurred at the beginning of 1995, Net Sales, Net Income and Earnings per Share would have been $580,049, $36,129 and $2.02, respectively (unaudited).

In October of 1994, the Company sold a non-strategic foreign subsidiary. If this sale had occurred at the beginning of 1994, Net Sales, Net Income and Earnings per Share would have been $466,834, $28,473 and $1.72, respectively.

NOTE 4--FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company has limited involvement with derivative financial instruments and does not trade them. In accordance with the Company's policy, derivatives may be used to manage certain interest rate and foreign exchange exposures. In 1995, the Company entered into a cross-currency interest rate swap to hedge an intercompany lending transaction. This swap requires the Company to pay principal of 37,031 French Francs plus interest at 8% and receive principal of $7,500 plus interest at 7.08% over ten years. If the Company canceled the swap at December 31, 1996, the Company would have been required to pay approximately $482 based on the market value of the swap on that date.

The Company principally used only forward exchange contracts, with terms of less than one year, to hedge certain firm purchase and sale commitments and intercompany cash transactions denominated in foreign currencies. The notional value of the Company's forward exchange contracts was $6.1 million and $3.5 million at December 31, 1996 and 1995, respectively. Deferred realized and unrealized gains and losses from firm foreign currency commitments were not significant at December 31, 1996 and 1995. Deferred gains and losses are recognized in earnings as part of the underlying transaction when the transaction is settled. Such gains and losses were not significant to the Company's financial results in 1996 or 1995. The Company is exposed to credit-related losses in the event of nonperformance by counter parties to financial instruments, but it does not expect any counter parties to fail to meet their obligations. The credit exposure of forward foreign exchange contracts is represented by the difference between the forward contract rate and the spot rate at the time of settlement.

NOTE 5--INVENTORIES

At December 31, 1996 and 1995, approximately 24% and 22%, respectively, of the total inventories are accounted for by the LIFO method. Inventories consisted of:

	1996	1995
Raw materials	$25,150	$25,152
Work-in-process	23,533	21,927
Finished goods	29,283	28,013
Total	77,966	75,092
Less LIFO reserve	(2,036)	(1,753)
Total	$75,930	$73,339

NOTE 6--ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

At December 31, 1996 and 1995, accounts payable and accrued liabilities consisted of the following:

	1996	1995
Accounts payable, principally trade	$ 65,953	$ 64,081
Accrued employee compensation costs	17,417	14,753
Other accrued liabilities	19,204	27,313
Total	$102,574	$106,147

NOTE 7--INCOME TAXES

Income before income taxes consists of:

	1996	1995	1994

	----	----	----
Domestic	$18,995	$14,371	$17,093
Foreign	41,178	43,231	26,243
	$60,173	$57,602	$43,336

The provision for income taxes is comprised of:

	1996	1995	1994
CURRENT:			
Federal	$ 6,318	$ 5,660	$ 5,040
State/local	1,413	1,291	1,113
Foreign	10,745	12,175	9,108
	18,476	19,126	15,261
DEFERRED:			
Federal/State	(946)	(1,534)	405
Foreign	5,095	4,296	412
	4,149	2,762	817
Total	$22,625	$21,888	$16,078

The difference between the actual income tax provision and the tax provision computed by applying the statutory federal income tax rate of 35.0% in 1996, 34.6% in 1995 and 34.3% in 1994 to income before income taxes is as follows:

	1996	1995	1994
Income tax at statutory rate	$ 21,060	$ 19,930	$ 14,864
State income taxes, net of federal benefit	806	723	771
Foreign government grants and incentives	--	(353)	(790)
Research and development tax credits	(401)	(910)	(730)
Rate differential on earnings of foreign operations	1,775	1,354	1,659
Other items, net	(615)	1,144	304
Actual income tax provision	$ 22,625	$ 21,888	$ 16,078
Effective income tax rate	37.6 %	38.0%	37.1%

Significant deferred tax assets and liabilities as of December 31, 1996 and 1995 are comprised of the following temporary differences:

	1996	1995
DEFERRED TAX ASSETS:		
Employee compensation	$ 1,256	$ 1,170
Net operating loss carryforwards	14,285	16,480
Patents	1,820	2,342
Pensions	2,226	2,260
Other	7,699	6,703
Total deferred tax assets	27,286	28,955
DEFERRED TAX LIABILITIES:		
Depreciation	28,607	26,498
Capitalized costs	813	1,302
Leases	3,232	2,886

Other	5,465	4,229
Total deferred tax liabilities	38,117	34,915
Net deferred tax liabilities	$10,831	$ 5,960

On December 31, 1996, the Company had federal foreign tax net operating loss carryforwards of approximately $20,307 which have an indefinite carryforward period and approximately $1,068 which expire in 1997, 1998, 1999 and 2001.

The Company has not provided for taxes on certain tax deferred income of a foreign operation. The income arose predominately from government grants. Taxes of approximately $3,859 would become payable at the time the income is distributed.

NOTE 8--DEBT

The average annual interest rate on short-term notes payable under unsecured lines of credit was approximately 4.6% and 6.7% for 1996 and 1995, respectively. There are no compensating balance requirements associated with short-term borrowings. At December 31, 1996 and 1995, the Company had an unsecured revolving credit agreement allowing borrowings of up to $25 million. Under this credit agreement, interest on borrowings is payable at a rate equal to the London Interbank Offered Rate (LIBOR) plus an amount based on the financial condition of the Company. The Company is required to pay a fee for the unused portion of the commitment. Such payments in 1996 and 1995 were not significant. The agreement expires on April 29, 2001. At December 31, 1996, the amount unused and available under this agreement was $25 million. The credit available under the revolving credit agreement provides management with the ability to refinance certain short-term obligations on a long-term basis. As it is management's intent to do so, short-term obligations of $25 million have been reclassified as long-term obligations as of December 31, 1996 and 1995.

In 1995, the Company entered into a $25 million ten-year private placement agreement. The private placement is comprised of $25 million in 7.08% senior unsecured notes.

The revolving credit agreement and the private placement agreement contain covenants that include certain financial tests, including minimum interest coverage, net worth and maximum borrowings. At December 31, the Company's long-term obligations consisted of the following:

	1996	1995
Notes payable 3.7% - 14.1%, due in monthly and annual installments through 2009	$ 12,345	$ 9,239
Senior unsecured debt 7.08%, due in installments through 2005	25,000	25,000
Mortgages payable 4.5% - 13.6%, due in monthly and annual installments through 2007	10,349	12,859
Industrial revenue bond, interest at 79% of prime, (which was 6.4% and 6.8% at December 31, 1996 and 1995), due in quarterly installments through 2001	1,666	1,999
Capital lease obligations	11,749	15,352
	61,109	64,449
Less current portion	(9,540)	(8,737)
Reclass of short-term obligations	25,000	25,000
Total long-term obligations	$ 76,569	$ 80,712

All of the notes and mortgages are payable by foreign subsidiaries to foreign banks. Interest rates on such borrowings vary due to differing market conditions in the countries in which such debt has been incurred. Mortgages payable are secured by the properties or assets for which the debt was obtained. Based on the borrowing rates currently available to the Company for long-term obligations with similar terms and average maturities, the fair value of the Company's long-term obligations approximates its book value.

Aggregate long-term maturities, excluding capital lease obligations, due annually for the five years beginning in 1997 are $7,583, $4,275, $6,964, $6,885, $31,255 and $17,398 thereafter.

NOTE 9--LEASE COMMITMENTS

The Company leases certain warehouse, plant, and office facilities as well as certain equipment under noncancelable operating and capital leases expiring at various dates through the year 2013. Most of the operating leases contain renewal options and certain equipment leases include options to purchase during or at the end of the lease term. Amortization expense related to capital leases is included in depreciation expense. Rent expense under operating leases (including taxes, insurance and maintenance when included in the rent) amounted to $4,702, $3,961 and $2,925 in 1996, 1995 and 1994, respectively. Assets recorded under capital leases consist of:

	1996	1995
Buildings	$ 10,292	$ 11,290
Machinery and equipment	12,782	13,800
	23,074	25,090
Accumulated depreciation	(9,213)	(7,333)
	$ 13,861	$ 17,757

Future minimum payments, by year and in the aggregate, under the capital leases and noncancelable operating leases with initial or remaining terms of one year or more consisted of the following at December 31, 1996:

	Capital Leases	Operating Leases
1997	$ 2,998	$ 2,476
1998	2,432	1,908
1999	1,944	1,187
2000	1,673	726
2001	1,483	622
Subsequent to 2001	6,373	2,278
Total minimum lease payments	16,903	$ 9,197
Amounts representing interest	(5,154)	
Present value of future minimum lease payments	11,749	
Less amount due in one year	(1,957)	
	$ 9,792	

NOTE 10--RETIREMENT AND DEFERRED COMPENSATION PLANS

The Company has various noncontributory retirement plans covering certain of its domestic and foreign employees. Benefits under the Company's retirement plans are based on participantsO years of service and annual compensation as defined by each plan. Annual cash contributions to fund pension costs accrued under the

Company's domestic plans are generally equal to the minimum funding amounts required by ERISA while pension commitments under its foreign plans are partially offset by the cash surrender value of insurance contracts purchased by the Company. The components of net pension cost for the plans consisted of the following:

	1996	1995	1994
Service cost benefits earned during the year	$1,297	$1,201	$1,092
Interest cost on projected benefit obligation	1,335	1,320	1,104
Actual return on plan assets	(1,970)	(3,591)	387
Net amortized and deferred gains and losses	684	2,622	(1,416)
Net pension cost	$1,346	$1,552	$1,167

The reconciliation of the funded status of the plans at year end follows:

	1996	1995
DOMESTIC PLANS		
Actuarial present value of benefit obligations:		
Vested	$ (9,327)	$ (9,317)
Non-vested	(551)	(453)
Accumulated benefit obligation	(9,878)	(9,770)
Excess of projected benefit obligation over accumulated benefit obligation	(2,569)	(2,478)
Projected benefit obligation	(12,447)	(12,248)
Plan assets at fair value	13,954	12,898
Plan assets in excess of projected benefit obligation	1,507	650
Unrecognized net gain	(3,761)	(2,575)
Unrecognized prior service cost	167	174
Unamortized net transition asset	(761)	(1,085)
Liability for pension cost included in the balance sheet	$ (2,848)	$ (2,836)
FOREIGN PLANS		
Actuarial present value of benefit obligations:		
Vested	$(7,087)	$(5,972)
Non-vested	(56)	(7)
Accumulated benefit obligation	(7,143)	(5,979)
Excess of projected benefit obligation over accumulated benefit obligation	(1,171)	(1,827)
Projected benefit obligation	(8,314)	(7,806)
Plan assets at fair value	1,464	1,378
Projected benefit obligation in excess of plan assets	(6,850)	(6,428)
Unrecognized net loss	1,666	1,688
Unrecognized prior service cost	450	322
Unamortized net transition obligation	198	235
Liability for pension cost included in the balance sheet	$(4,536)	$(4,183)

Plan assets primarily consist of U.S. government obligations, investment grade corporate bonds and common and preferred stocks for the domestic plans and insurance contracts for the foreign plans. The projected benefit obligation for domestic plans was determined using assumed discount rates of 7.50% and 7.25% in 1996 and 1995, respectively. For the foreign plans, the projected benefit obligation was determined using an assumed discount rate of 6.0% in 1996 and 1995. The assumed rates of increase in compensation used in 1996 and 1995 were 5.0% for the domestic plans and 4.0% for the foreign plans. The expected long-term rate of return on plan assets was 8.5% in 1996 and 1995 for the domestic plans and 6.0% in 1996 and 1995 for the foreign plans.

The Company has a non-qualified supplemental pension plan which provides for pension amounts that would have been payable from the Company's principal pension plan if it were not for limitations imposed by income tax regulations. The liability for this plan was $328 and $250 at December 31, 1996 and 1995, respectively. This amount is included in the liability for domestic plans shown above.

The Company also has unfunded retirement compensation arrangements with certain employees. The cost of these retirement agreements is provided currently as it relates to prior service agreements and ratably over the employees' future employment as it applies to future service agreements. The Company has no additional postretirement or postemployment benefit plans.

NOTE 11--CONTINGENCIES

The Company, in the normal course of business, is subject to a number of lawsuits and claims both actual and potential in nature. Management believes the resolution of these claims and lawsuits will not have a material adverse effect on the Company's financial position or results of operations.

NOTE 12--PREFERRED STOCK PURCHASE RIGHTS

The Company has a preferred stock purchase rights plan (the "Rights Plan") and each share of common stock has one preferred share purchase right (a "Right"). Under the terms of the Rights Plan, if a person or group other than certain exempt persons acquires 15% or more of the outstanding common stock, each Right will entitle its holder (other than such person or members of such group) to purchase, at the Right's then current exercise price, a number of shares of the Company's common stock having a market value of twice such price. Persons or groups can lose their exempt status under certain conditions. In addition, under certain circumstances if the Company is acquired in a merger or other business combination transaction, each Right will entitle its holder to purchase, at the Right's then current exercise price, a number of the acquiring company's common shares having a market value of twice such price.

Each Right entitles the holder under certain circumstances to buy one one-thousandths of a share of Series A junior participating preferred stock, par value $ .01 per share, at an exercise price of $70. Each share of Series A junior participating preferred stock will entitle its holder to 1,000 votes and will have a minimum preferential quarterly dividend payment equal to the greater of $10 per share or 1,000 times the amount paid to holders of common stock. Currently 45 thousand shares of Series A junior participating preferred stock have been reserved. The Rights will expire on April 6, 2003 unless previously exercised or redeemed at the option of the Board of Directors for $ .01 per Right.

NOTE 13--STOCK OPTIONS

At December 31, 1996, the Company has four fixed stock-based compensation plans which are discussed below. The Company follows APB Opinion No. 25 and the related Interpretations in accounting for its stock option plans. Accordingly, no significant compensation cost has been recognized for its stock awards. Had compensation cost for the Company's stock awards plans been recorded based on the fair value at the grant dates, consistent with the method of FASB Statement No. 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below.

	1996	1995
Net Income		
As Reported	$37,548	$35,714
Pro Forma	$36,814	$35,390
Earnings per Share		
As Reported	$ 2.09	$ 1.99
Pro Forma	$ 2.05	$ 1.98

The fair value of stock options granted in 1996 and 1995 was $12.62 and $11.11 per share, respectively. These values were estimated on the date of the grant using the Black-Scholes option-pricing model with the following weighted-average assumptions for 1996 and 1995, respectively: dividend yield of .9% for both years, expected volatility of 21.2% and 22.7%, risk-free interest rate of 5.6% and 7.5% and an expected life of 7.5 years for both years. The pro forma amounts reflected above are not likely to be representative of the pro forma amounts in future years due to the FASB Statement No.123 transition rules which require pro forma disclosure only for awards granted after 1994, although the Company granted stock options in both 1994 and 1993.

Under the 1996 and 1992 Stock Awards Plans (collectively, the "Stock Awards Plans"), the Company may grant stock options, stock appreciation rights, restricted stock and other stock awards to employees. The combined maximum number of shares which may be issued under these plans is 2 million. Options granted under these plans become exercisable annually over a three year period and expire ten years after the grant date. The 1996 and 1992 Director Stock Option Plans provide for the award of stock options to non-employee Directors who have not previously been awarded new Board options under each of these plans. The combined maximum number of shares subject to options under these plans is 80 thousand. Options granted under these plans become exercisable ratably over a three year period and expire ten years after the grant date.

A summary of the status of the Company's stock option plans as of December 31, 1996, 1995 and 1994, and changes during the years ending on those dates is presented below.

		Stock Awards Plans		Director Stock Option Plans	
Option Shares		Shares	Option Price Per Share	Shares	Option Price Per Share
Outstanding, January 1, 1994		335,807	$18.375	24,000	$18.375
Granted		145,027	$20.625	--	
Exercised		(476)	$18.375	--	
Canceled		(17,887)	$18.375-$20.625	--	
Outstanding, December 31, 1994		462,471	$18.375-$20.625	24,000	$18.375
Granted		188,500	$26.75-$35.50	--	
Exercised		(5,371)	$18.375-$20.625	(5,000)	$18.375
Canceled		(3,083)	$18.375	--	
Outstanding, December 31, 1995		642,517	$18.375-$35.50	19,000	$18.375
Granted		163,800	$36.00	--	
Exercised		(23,090)	$18.375-$26.75	(1,000)	$18.375
Canceled		(2,855)	$18.375-$36.00	--	
Outstanding, December 31, 1996		780,372	$18.375-$36.00	18,000	$18.375
Options					
Exercisable at	12/31/94	109,067		12,000	
	12/31/95	254,909		13,000	
	12/31/96	446,005		18,000	

Available for future grants	12/31/94	537,053	16,000
	12/31/95	348,326	16,000
	12/31/96	1,185,585	40,000

The following table summarizes information about stock options outstanding at December 31,1996:

	Options Outstanding			Options Exercisable	
Year Granted	Shares Outstanding at Year-End	Weighted-Average Remaining Life	Weighted-Average Exercise Price	Shares Exercisable at Year-End	Weighted-Average Exercise Price
1993	295,453	6.5	$18.375	295,453	$18.375
1994	135,884	7.1	20.625	89,116	20.625
1995	186,435	8.1	27.231	61,436	27.259
1996	162,600	9.1	36.000	--	36.000
	780,372	7.5	24.555	446,005	20.048

Restricted stock totaling 1,796 shares in 1996 and 3,310 shares in 1995 were issued under the Stock Awards Plans. These shares vest equally over three years and do not have voting or dividend rights prior to vesting. Amounts available for future stock option grants have been reduced by restricted stock awards.

NOTE 14--RELATED PARTY TRANSACTIONS

During 1994, the Company acquired 100% ownership of a company that was 50% owned by the Vice Chairman of the Company for approximately $1.5 million. This company assembled certain components produced and supplied by the Company. The total amount of services purchased from this entity in 1994, prior to the acquisition, was approximately $1.3 million.

The Company purchased materials from an entity majority-Downed by the Vice Chairman and certain other members of his family. The total amount of materials purchased from this entity in 1996, 1995 and 1994 was approximately $0, $472 and $600, respectively.

NOTE 15--SEGMENT INFORMATION

The Company operates in the packaging components industry, which includes the development, manufacture and sale of consumer product dispensing systems. Sales within the segment and between geographic areas are made at arm's-length prices. Operating income consists of sales less operating expenses. Identifiable assets are those assets that are specifically identified with the geographic area in which the operations are conducted. Eliminations include intercompany sales between geographic areas and related intercompany accounts. Export sales were not material and no single customer accounted for ten percent or more of sales.

Geographic Areas	Domestic Operations	Other European Operations	Foreign Operations	Corporate Expenses	Eliminations	Consolidated
1996						
Sales to unaffiliated customers	$233,329	$355,699	$ 26,780	$ --	$ --	$615,808
Sales between geographic areas	6,205	59,512	1,418	--	(67,135)	--
Net Sales	$239,534	$415,211	$ 28,198	$ --	$(67,135)	$615,808
Operating Income	$ 28,090	$ 43,624	$ 673	$ (8,714)	$ 323	$ 63,996
Identifiable Assets	$154,392	$442,702	$ 17,092	$ --	$(38,050)	$576,136
1995						
Sales to unaffiliated customers	$202,868	$334,213	$ 20,374	$ --	$ --	$557,455
Sales between geographic areas	4,915	53,871	3,165	--	(61,951)	--

Net Sales	$207,783	$388,084	$ 23,539	$ --	$(61,951)	$557,455
	=======	=======	======	=======	=======	=======
Operating Income	$ 20,928	$ 48,645	$ 624	$(10,917)	$ 18	$ 59,298
Identifiable Assets	$142,247	$435,024	$ 12,591	$ --	$(30,646)	$559,216
1994						
Sales to unaffiliated customers	$180,828	$279,476	$ 13,962	$ --	$ --	$474,266
Sales between geographic areas	5,773	30,839	12	--	(36,624)	--
	-------	-------	-------	-------	-------	-------
Net Sales	$186,601	$310,315	$ 13,974	$ --	$(36,624)	$474,266
	=======	=======	=======	=======	=======	=======
Operating Income	$ 22,594	$ 34,585	$ 763	$ (9,523)	$ 251	$ 48,670
Identifiable Assets	$132,231	$359,485	$ 9,558	$ --	$(35,879)	$465,395

NOTE 16--QUARTERLY DATA (UNAUDITED)

Quarterly results of operations and per share information for the years ended December 31, 1996 and 1995 are as follows:

	Quarter				
	First	Second	Third	Fourth	Total For Year
YEAR ENDED DECEMBER 31, 1996					
Net sales	$152,954	$151,047	$155,917	$155,890	$615,808
Gross profit	$ 43,447	$ 41,570	$ 42,271	$ 44,069	$171,357
Net income	$ 10,673	$ 8,827	$ 9,007	$ 9,041	$ 37,548
PER COMMON SHARE - 1996					
Net income	$ .60	$ .49	$ .50	$ .50	$ 2.09
Dividends paid	$ .07	$ .07	$ .07	$ .07	$ .28
Stock price high	$ 41 7/8	$ 43 1/8	$ 37 1/8	$ 36	$ 43 1/8
Stock price low	$ 34 3/4	$ 29	$ 30 3/8	$ 30 1/2	$ 29
Average number of shares outstanding	17,930	17,938	17,941	17,947	17,939
YEAR ENDED DECEMBER 31, 1995					
Net sales	$135,629	$142,396	$140,630	$138,800	$557,455
Gross profit	$ 39,005	$ 41,398	$ 39,177	$ 38,011	$157,591
Net income	$ 9,625	$ 9,927	$ 8,475	$ 7,687	$ 35,714
PER COMMON SHARE - 1995					
Net income	$ .54	$ .55	$ .47	$ .43	$ 1.99
Dividends paid	$ .06	$ .06	$ .07	$ .07	$ .26
Stock price high	$ 29 3/8	$ 32 1/8	$ 34 1/4	$ 38 1/4	$ 38 1/4
Stock price low	$ 24 5/8	$ 27 7/8	$ 31	$ 31 1/8	$ 24 5/8
Average number of shares outstanding	17,915	17,917	17,919	17,923	17,918

*As of December 31, 1996, stockholders of record totaled approximately 1,000.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Stockholders of AptarGroup, Inc.

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, of cash flows and of stockholders' equity present fairly, in all material respects, the financial position of AptarGroup, Inc. and its subsidiaries at December 31, 1996 and 1995 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1996 in conformity with generally accepted accounting principles. These financial statements are the responsibility of AptarGroup, Inc.'s management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ Price Waterhouse
Chicago, Illinois
February 20, 1997

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The financial statements of AptarGroup, Inc. and its consolidated subsidiaries, and all other information presented in this Annual Report, are the responsibility of the management of the Company. These statements have been prepared in accordance with generally accepted accounting principles consistently applied and reflect in all material respects the substance of events and transactions that should be included. Management is responsible for the accuracy and objectivity of the financial statements, including estimates and judgments reflected therein, and fulfills this responsibility primarily by establishing and maintaining accounting systems and practices adequately supported by internal accounting controls. Management believes that the internal accounting controls in use are satisfactory to provide reasonable assurance that the Company's assets are safeguarded, that transactions are executed in accordance with management's authorizations, and that the financial records are reliable for the purpose of preparing financial statements. Independent accountants were selected by the Board of Directors, upon the recommendation of the Audit Committee, to audit the financial statements in accordance with generally accepted auditing standards. Their audits include a review of internal accounting control policies and procedures and selected tests of transactions. The Audit Committee of the Board of Directors, which consists of two directors who are not officers or employees of the Company, meets regularly with management and the independent accountants to review matters relating to financial reporting, internal accounting controls, and auditing. The independent accountants have unrestricted access to the Audit Committee.

/s/ Carl A. Siebel	/s/ Stephen J. Hagge
Carl A. Siebel President and Chief Executive Officer	Stephen J. Hagge Executive Vice President and Chief Financial Officer, Secretary and Treasurer

FIVE YEAR SUMMARY OF SELECTED FINANCIAL DATA

(In millions of dollars, except per share data)	Year Ended December 31, 1996	1995	1994	1993	1992
STATEMENT OF INCOME DATA:					
Net Sales	$615.8	$557.5	$474.3	$411.5	$370.3
Cost of Sales	399.7	358.4	301.5	262.5	244.9
% of Net Sales	64.9%	64.3%	63.6%	63.8%	66.1%
Selling, Research & Development, and Administrative	104.3	96.2	85.7	75.8	63.3
% of Net Sales	16.9%	17.3%	18.1%	18.4%	17.1%
Depreciation and Amortization	47.9	43.5	38.4	32.1	26.2
% of Net Sales	7.8%	7.8%	8.1%	7.8%	7.1%
Operating Income	64.0	59.3	48.7	41.0	35.9
% of Net Sales	10.4%	10.6%	10.2%	10.0%	9.7%

Income Before Accounting Change (1)	37.5	35.7	27.3	21.6	19.5
Net Income	37.5	35.7	27.3	23.0	19.5
% of Net Sales	6.1%	6.4%	5.7%	5.6%	5.3%
PER COMMON SHARE: (2)					
Income Before Accounting Change (1)	$ 2.09	$ 1.99	$ 1.65	$ 1.34	$ --
Net Income	2.09	1.99	1.65	1.43	--
Cash Dividends Declared	0.28	0.26	0.23	0.10	--
BALANCE SHEET AND OTHER DATA:					
Capital Expenditures	$ 62.8	$ 55.5	$ 41.9	$ 46.7	$ 37.8
Total Assets	576.1	559.2	465.4	408.0	301.5
Long-Term Obligations	76.6	80.7	53.8	41.3	28.6
Stockholders' Equity	335.7	312.3	270.6	190.4	137.4
Debt to Total Capitalization	21.1%	23.8%	19.2%	37.5%	33.2%

(1)In the first quarter of 1993, the Company adopted SFAS 109 entitled "Accounting for Income Taxes".
(2)Income per share has been omitted for 1992 since the Company had no capital stock publicly outstanding during that year.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
CONSOLIDATED RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Results of Operations The following table sets forth, for the periods indicated, the percentage relationship of certain items to net sales.

Year Ended December 31,	1996	1995	1994
Net sales	100.0%	100.0%	100.0%
Cost of sales	64.9	64.3	63.6
Selling, research & development, and administrative	16.9	17.3	18.1
Depreciation and amortization	7.8	7.8	8.1
Operating income	10.4	10.6	10.2
Other expenses, net	(0.6)	(0.3)	(1.1)
Income before income taxes	9.8	10.3	9.1
Provision for income taxes	3.7	3.9	3.4
Net income	6.1%	6.4%	5.7%

1996 COMPARED TO 1995 Net sales in 1996 totaled $615.8 million, an increase of 10.5% when compared to net sales of $557.5 million in 1995. Excluding the effects of the acquisitions made in the fourth quarter of 1995, sales grew 6.9% in 1996. The translation of foreign sales to U.S. dollars in 1996 was affected by changes in exchange rates. If the U.S. dollar exchange rates had been constant throughout the year and the effect of the acquisitions were excluded, net sales for the year ended December 31, 1996 would have increased approximately 8.4%. The increase in sales is primarily attributed to increased sales volume of pumps to the pharmaceutical market and volume increases in pumps, dispensing closures and aerosol valves to the personal care market. These volume increases were partially offset by price decreases and softness of pump sales to customers in the European fragrance/cosmetics market. European sales represented approximately 58% of the Company's total sales compared to 60% in 1995.

During the fourth quarter of 1995, the Company acquired Liquid Molding Systems, Inc. ("LMS"), a U.S. company that owns the patent and the liquid silicone molding expertise to produce valves for the SimpliSqueeze[registered trademark] dispensing closure system, and General Plastics S.A. ("General Plastics"), a French company which manufactures primarily dispensing closures. General Plastics uses bi-injection molding technology, which allows for the molding of two colors or two materials in the same cycle. Also during the fourth quarter of

1995, the Company purchased a 35% minority interest in Loeffler Kunststoffwerk GmbH & Co. KG ("Loeffler"), a privately-held German manufacturer of dispensing and standard closures. The two acquisitions have been accounted for as purchases and the minority interest has been accounted for under the equity method. The effect of these transactions on the Company's net income for 1996 and 1995 was not significant.

The purchase agreement between the Company and Loeffler includes a provision that adjusts the purchase price for the 35% interest based on earnings of Loeffler from 1995 through 1997. The Company does not believe that any additional payment or refund as a result of the purchase price adjustment provision will be material to the financial statements.

To further align the Company's European closures strategy with its European closure business partner, Loeffler, in 1996 the Company sold a 35% interest in certain of the Company's European dispensing closure operations to Loeffler for approximately $3.8 million. The net gain on the sale of the minority interests was not significant.

Cost of sales as a percent of net sales increased in 1996 to 64.9% compared to 64.3% in 1995. The increase was primarily attributed to underutilized capacity in the Company's fragrance operations, continued price competition and the mix of products sold. The impact of changes in raw material costs, including plastic resin and metal, in 1996 was not significant.

Selling, research & development, and administrative ("SG&A") increased to $104.3 million compared to $96.2 million in 1995. The increase was primarily due to the acquisitions made in the fourth quarter of 1995 and increased spending for research and development. However, as a percent of sales, SG&A decreased from 17.3% in 1995 to 16.9% in 1996. The decrease in relation to net sales is the result of an increase in sales coupled with lower administrative expenses as a percentage of sales.

Depreciation and amortization expenses increased from $43.5 million in 1995 to $47.9 million in 1996. As a percent of sales, depreciation and amortization remained consistent between the years at 7.8%.

Operating income from European operations (excluding corporate expenses) represented 68% and 82% of total operating income in 1996 and 1995, respectively. Operating income in 1996 from U.S. operations (excluding corporate expenses) represented 44% of total operating income compared to 35% in 1995. The decrease in the percentage of operating income attributable to European operations was due to underutilized capacity as a result of softness in the fragrance/cosmetic market.

Net other expenses increased to $3.8 million in 1996 from $1.7 million in 1995. The increase is primarily attributable to lower income of affiliates and higher net interest costs in 1996.

The effective income tax rate decreased from 38.0% in 1995 to 37.6% in 1996. The decreased effective tax rate is due to the mix of income earned.

Net income increased 5% to $37.5 million in 1996 compared to $35.7 million in 1995. The increase in net income is primarily attributable to higher sales volume and continued cost containment.

1995 COMPARED TO 1994 Net sales in 1995 totaled $557.5 million, an increase of 17.5% when compared to net sales of $474.3 million in 1994. Excluding the effects of the acquisitions and disposition made in 1995 and 1994, sales grew 19% in 1995. The translation of foreign sales to U.S. dollars in 1995 was affected by changes in exchange rates. If the U.S. dollar rates had been constant throughout the year and the effect of the acquisitions and disposition were excluded, net sales for the year ended December 31, 1995 would have increased approximately 14%. Although the 1995 sales were affected by price competition in all product lines and markets, an increase in pump sales volume offset lower selling prices and was primarily responsible for the sales growth. The growth in pump sales came principally from the fragrance/cosmetics and pharmaceutical markets. Unit sales of aerosol valves were down from 1994 levels while dispensing closure unit sales remained flat. Sales in the U.S. and European markets increased during the year. U.S. sales increased to fragrance/cosmetics, pharmaceutical, household and food markets but were offset by a downturn in the U.S. personal care market. Sales growth in Europe came primarily from the fragrance/cosmetics and pharmaceutical markets. European sales represented approximately 60% of the Company's total sales compared to 59% a year ago.

In October of 1994, the Company sold a non-strategic subsidiary. The sale of this subsidiary did not result in a significant gain or loss. For the year ended December 31, 1994, this subsidiary had sales of approximately $7.4 million and a net loss of approximately $1.2 million.

Cost of sales as a percent of net sales increased in 1995 to 64.3% compared to 63.6% in 1994. The increase was primarily attributed to increases in raw material costs including plastic resin, the mix of products sold and start-up costs related to a manufacturing facility in the U.S. The Company continued to experience escalation in resin prices during the first part of 1995. Gradually, resin prices declined during the last six months of 1995, although prices at year end were still above beginning of the year levels. The Company was able to pass-through a portion of the increase in raw material costs to customers.

SG&A increased to $96.2 million compared to $85.7 million in 1994. However, as a percent of sales, SG&A decreased from 18.1% in 1994 to 17.3% in 1995. The decrease in relation to net sales was the result of continued cost containment efforts.

Depreciation and amortization expenses increased from $38.4 million in 1994 to $43.5 million in 1995. As a percent of sales, depreciation and amortization decreased to 7.8% from 8.1% a year ago due to the sales growth experienced by the Company during the year.

Operating income from European operations (excluding corporate expenses) represented 82% and 71% of total operating income in 1995 and 1994, respectively. Operating income in 1995 from U.S. operations (excluding corporate expenses) represented 35% of total operating income compared to 46% in 1994. The increase in the percentage of operating income attributable to European operations is due to the strength of demand in the fragrance/cosmetics market, increased sales to the pharmaceutical market and reduced sales in the U.S. market for aerosol valves.

Net other expenses decreased to $1.7 million in 1995 from $5.3 million in 1994. Lower interest rates and reduced levels of debt as a result of a common stock offering in October 1994 resulted in a reduction in net interest expense of $2.3 million when compared to 1994. Miscellaneous other income increased by $1.7 million due particularly to lower foreign currency transaction losses.

The effective income tax rate increased from 37.1% in 1994 to 38.0% to 1995. The higher effective tax rate was due to an increase in the French tax rate and the mix of foreign earnings.

Net income increased 31% to $35.7 million in 1995 compared to $27.3 million in 1994. The increase in net income was primarily attributable to higher sales volume, continued cost containment efforts and lower interest expense.

FOREIGN CURRENCY A significant portion of the Company's operations is located outside of the United States. Because of this, movements in exchange rates may have a significant impact on the translation of the financial conditions and results of operations of AptarGroup's foreign entities. Additionally, in some cases, the Company sells products denominated in a currency different from the currency in which the respective costs are incurred. Changes in exchange rates on such inter-country sales impacts the Company's results of operations.

LIQUIDITY AND CAPITAL RESOURCES Historically, the Company has generated positive cash flows from operations. During 1996, the Company utilized cash flows from financing activities principally to finance acquisitions and utilized cash flows from operations principally to finance capital expenditures. Net cash provided by operations was $67.3 million, $61.7 million, and $55.0 million during 1996, 1995 and 1994, respectively. In each of these years, cash flow from operations was primarily derived from earnings before depreciation and amortization and from changes in working capital. Cash and equivalents was $16.4 million at December 31, 1996 versus $17.3 million at December 31, 1995 and $20.1 million at December 31, 1994.

Working capital increased to $121.0 million at December 31, 1996 compared to $100.7 million and $78.1 million at December 31, 1995 and 1994, respectively. The increase in working capital in 1996 was primarily due to increases in accounts receivable and decreases in short term borrowings. The increase in working capital in 1995 was primarily due to acquisitions completed in 1995, increased sales and changes in exchange rates.

Net cash used for investing activities totaled $59.2 million, $84.7 million and $41.5 million for the years ended December 31, 1996, 1995 and 1994, respectively. The decrease between 1995 and 1996 is primarily due to acquisitions made in 1995. The dispensing packaging industry is capital intensive. Capital expenditures were $62.8 million, $55.5 million and $41.9 million for the years ended December 31, 1996, 1995 and 1994, respectively. Capital expenditures for 1997 are estimated to be approximately $65-70 million.

Net cash (used) provided by financing activities was $(8.6) million, $19.7 million, and $(11.2) million for the years ended December 31, 1996, 1995 and 1994, respectively. The principal reason for the change in 1995 from the other two years was the proceeds from a private placement of $25 million in October 1995. Net proceeds of approximately $44 million in 1994 were primarily used to repay short-term obligations and position the Company for future acquisitions. The Company's debt to total capitalization ratio was 21% and 24% as of December 31, 1996 and 1995, respectively. For each of these years, the majority of debt was denominated in foreign currency. AptarGroup has historically borrowed locally to hedge potential currency fluctuation for assets that were purchased outside of the United States. It is expected that this practice will continue.

At December 31, 1996 and 1995, the Company had an unsecured revolving credit agreement allowing borrowings of up to $25 million. This agreement expires in April, 2001 and the Company had no borrowings outstanding against this agreement at December 31, 1996.

The Company's foreign operations have historically met cash requirements with the use of internally generated cash and borrowings. Foreign subsidiaries have financing arrangements with several foreign banks to fund operations located outside of the U.S., but all of these lines are uncommitted. Cash generated by foreign operations has generally been reinvested locally. While management currently intends to reinvest such cash from foreign operations, the timing of the decision to transfer such cash to the U.S. in the future may be impacted to the extent management believes the transaction costs and taxes associated with such transfers are less than the expected benefits.

In late 1996, the Company formed a 50/50 joint venture in the United States with Coster Tecnologie Speciali S.p.A., an Italian company, to produce spray caps and specialty actuators for the North American aerosol valve market. Initial total capitalization of this venture will be approximately $10 million, of which AptarGroup will contribute $5 million in 1997.

OUTLOOK For most of 1996, demand by customers in the fragrance/cosmetics market was lower than in 1995. During the fourth quarter of 1996, sales to this market increased over the prior year. The Company cannot determine whether the trend of increased sales to this market will continue.

Over the past few years, a consolidation of the Company's customer base has occurred. This trend is expected to continue. A concentration of customers may result in additional price pressure or loss of volume. This situation also presents opportunities for increasing sales due to the breadth of the Company's product line and its international presence.

The impact of changes in raw material costs was not significant. The Company will attempt to offset inflation through cost containment and increase selling prices over time, as allowed by market conditions.

As the Company expands geographically, investments may be made in countries that are not as politically stable as the U.S. or the western European countries in which the Company primarily had operations at the end of 1996. The Company intends to monitor its exposure in these other countries to minimize risk.

APTARGROUP, INC.

LIST OF SUBSIDIARIES

	State or Other Jurisdiction of Incorporation	Percentage Owned
AptarGroup Foreign Sales Corporation	Barbados	100%
AptarGroup Holding S.A.	France	100%
Aptar GmbH	Germany	100%
Seaquist-Loeffler Verwaltungs GmbH	Germany	35%
Seaquist-Loeffler Kunststoffwerk GmbH & Co. KG	Germany	35%
Seaquist-Loeffler Kunststoffwerk Spol. S.R.O.	Czech Republic	100%
SeaquistPerfect Dispensing GmbH	Germany	100%
Seaplast S.A.	Spain	50%
Erich Pfeiffer GmbH	Germany	100%
Pfeiffer Vaporisateurs France S.a.r.L.	France	100%
P & S Japan	Japan	100%
Pfeiffer, Inc.	Connecticut	100%
Pfeiffer (U.K.) Limited	United Kingdom	100%
Vallis Leasobjekt Gesellschaft GmbH	Germany	51%
P&P Promotion of German Manufacturing Technologies GmbH	Germany	100%
Aptar Europe B.V.	Holland	100%
AptarGroup S.A.	France	100%
Caideil M.P. Teoranta	Ireland	100%
Graphocolor SA	France	50%
Perfect-Valois U.K., Limited	United Kingdom	100%
SAR S.p.A.	Italy	100%
Dispray GmbH	Germany	80%
Dispray S.A.	Switzerland	90%
MAS S.p.A.	Italy	100%
NOVARES S.p.A.	Italy	100%
Plas S.r.l.	Italy	100%
Rap Micropumps Pty. Ltd.	South Africa	70%
SAR France SCA	France	100%
AptarGroup SAR Finance Unlimited	Ireland	100%
SAR (U.K.) Limited	United Kingdom	100%
Tes S.p.A.	Italy	35%
Seaquist-Loeffler Limited	United Kingdom	65%
Seaquist-Loeffler S.A.S.	France	65%
General Plastics S.A.	France	100%
Moulage Plastique de Normandie S.A.	France	100%
Valois S.A.	France	100%
Valois Espana S.A.	Spain	100%
Valois Italiana S.r.l.	Italy	100%
Aptar Suzhou Dispensing Ltd.	P.R. China	100%
CosterSeaquist L.L.C.	Illinois	50%
Global Precision, Inc.	Florida	100%
Liquid Molding Systems, Inc.	Delaware	100%
Pfeiffer of America, Inc.	Delaware	100%
Sar Dispensing Systems Ltd.	Hong Kong	100%
SAR Do Brasil Ltda.	Brazil	100%
SAR U.S.A. Incorporated	Delaware	100%
Seaquist Canada Ltd.	Canada	100%
Seaquist Finance	Ireland	100%
Seaquist Closures Foreign, Inc.	Delaware	100%
Seaquist de Mexico, S.A. de C.V.	Mexico	75%
SeaquistPerfect Dispensing Foreign, Inc.	Delaware	100%
Seaquist-Valois Australia Pty. Ltd.	Australia	100%
Seaquist-Valois Japan, Inc.	Japan	100%
Valois of America, Inc.	Connecticut	100%
Valois Far East Limited	Hong Kong	80%

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 33-64320 and 33-80408) of AptarGroup, Inc. of our report dated February 20, 1997 appearing on page 34 of the Annual Report to Stockholders which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report on the Financial Statement Schedule, which appears on page 17 of this Form 10-K.

/s/ Price Waterhouse
Chicago, Illinois

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This schedule contains summary financial information extracted from the consolidated balance sheet and the consolidated statement of income
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