UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

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, 1998

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 24, 1999, was approximately $854,579,199. The number of shares outstanding of Common Stock, as of March 24, 1999 was 36,089,181 shares held by approximately 850 shareholders of record.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's 1998 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 11, 1999 are incorporated by reference into Part

III of this report.

AptarGroup, Inc.

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ANNUAL REPORT ON FORM 10-K

For the Year Ended December 31, 1998

PART I

Item 1. Business

(a) General Development of Business

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 Company's business was started in the late 1940's through its SeaquistPerfect Dispensing L.L.C., which manufactured and sold aerosol valves in the United States. Pittway Corporation ("Pittway") acquired this business in 1964. 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 L.L.C.	U.S.	Start-up	Dispensing 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	Dispensing 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
1994	Seaquist de Mexico, S.A. de C.V.	Mexico	Start-up	Dispensing closures
1995	Liquid Molding Systems, Inc.	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

1997	50% of CosterSeaquist L.L.C.	U.S.	Start-up joint venture	Aerosol spray caps and accessories
1997	Aptar Suzhou Dispensing Systems, Co., Ltd	China	Start-up	Aerosol valves, pumps, closures
1998	65% of Loffler Kunststoffwerk GmbH & Co. KG	Germany	Acquisition	Closures
1998	Inairic S.A.	Argentina	Acquisition	Pumps
1999	Emson Research, Inc.	U.S.	Acquisition	Pumps
1999	Seaquist-Valois do Brasil Ltda.	Brazil	Start-up	Dispensing closures and pumps

In February 1999, the Company acquired privately held Emson Research,Inc. and related companies (Emson). Emson is a leading supplier of fragrance/cosmetics pumps in the North American market. It also has a significant position in the North American personal care and food pump markets and a growing presence in selected international markets. Emson sales for the year ended December 31, 1998 were approximately $85 million.

As a result of its internal product line expansion and its acquisition program, the Company has become a leader in its markets. The Company believes there are future growth opportunities available to it in terms of (i) further geographic and product line extension and (ii) additional acquisitions.

In 1993, Pittway distributed 100% of AptarGroup's then outstanding Common Stock to holders of Pittway common stock and Pittway class A stock.

(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, 1998, is set forth in Note 15 ("Segment Information") to the Consolidated Financial Statements contained in the 1998 Annual Report to Stockholders, page 36, which is incorporated herein by reference.

(c) Narrative Description of Business

General

The Company is a leader in the design, manufacture and sale of three categories of consumer product dispensing systems: pumps, dispensing closures and aerosol valves. The Company focuses on providing value-added dispensing systems to global consumer product marketers in the fragrance/cosmetics, personal care, pharmaceutical, household/industrial products and food industries. Value-added packaging allows consumers to conveniently dispense a product, in an aesthetically attractive package, which consistently meets required usage or dosage characteristics. The Company believes it is the largest supplier of pharmaceutical, fragrance/cosmetics, and personal care fine mist pumps worldwide and the largest supplier of dispensing closures and aerosol valves in North America. The Company has manufacturing facilities located throughout the world including facilities in the United States, Europe, Asia and South America. The Company has over 1,000 customers with no single customer accounting for greater than 6% of the Company's 1998 net sales.

For 1998, the percentage of net sales represented by sales to the fragrance/cosmetics, personal care, pharmaceutical, household/industrial and food markets were 30%, 31%, 25%, 8% and 6% respectively. Pumps, dispensing closures and aerosol valves represented approximately 60%, 22% and 16% respectively, of AptarGroup's net sales. The Company expects the sales of pumps and dispensing closures as a percentage of the total sales to increase in 1999 with the mix of sales by market to remain approximately the same.

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/industrial. Examples of pump applications in these markets include perfumes, skin creams, oral and nasal sprays, hair sprays and window cleaners. Dispensing closures are plastic caps, primarily for squeezable containers, which allow a product to be dispensed without removing the cap. The majority of the Company's dispensing closure sales have been to the personal care market, and the Company is pursuing opportunities in the food and household/industrial markets for additional applications of dispensing closures. Products with dispensing closures include shampoos, skin lotions, conditioners, household/industrial cleaners, ketchup and salad dressing products. Aerosol valves are mechanisms which dispense product from pressurized containers. Continuous spray aerosol valves are frequently used with hair sprays, spray paints, insecticides, automotive products and laundry products. Metered dose aerosol valves are used to dispense precise amounts of product and are primarily sold to the pharmaceutical market for lung and heart medications.

Sales of the Company's dispensing systems, especially pumps, dispensing closures and metered dose aerosol valves have grown at a faster rate than the overall packaging industry during the past five years as consumer demand shifted to products with more convenient dispensing systems. The Company expects this trend to continue. Consumer product marketers have converted many of their products to packages with dispensers that offer the benefit of increased convenience, cleanliness or accuracy of dosage. For example, the Company is developing applications for SimpliSqueeze(R), a no-leak, invertable closure with one-hand dispensing convenience. SimpliSqueeze 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 closure has grown as a result of its current use in the personal care market with hair care, shower gel and moisturizing lotion products. The advantages of SimpliSqueeze were applied in the non-carbonated beverage market. AptarGroup worked with The Coca-Cola Company to incorporate the SimpliSqueeze valve into their sports drink requirements. Due to this success, AptarGroup is tailoring the SimpliSqueeze technology into other food/beverage products.

Another example of a system that offers increased convenience is a unit dose pump that dispenses a single exact dosage of medication nasally as an alternative to pills or syringes. During 1998, AptarGroup expanded its sales of unit dose pumps to applications that deliver medicine for migraine relief in a nasal spray.

Pumps (60% of 1998 net sales)

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/ industrial products. Examples of pump applications in these markets include perfumes, skin creams, oral and nasal sprays, hair sprays 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 pumps used with household cleaner products. The food market is beginning to emerge as the fifth market, which utilize pumps. An example of pump applications for the food market is butter sprays.

AptarGroup believes it is the leading supplier of pharmaceutical, fragrance/cosmetic and personal care fine mist pumps worldwide. An element of the Company's growth strategy is the geographic expansion of pump operations. Adding to the Company's personal care fine mist pump manufacturing capabilities in the U.S., the Company began assembling fragrance/cosmetics pumps in the United States in early 1995 and began production of personal care lotion pumps in 1997. Consistent with that growth strategy, the Company purchased Emson in February 1999. Emson manufactures fine mist pumps for the fragrance cosmetics, personal care and food markets mainly in the United States. The Company has sales offices in Japan and in 1997 began producing pumps in China to enhance its position in the Asian markets. In 1998, 1997 and 1996, pump sales accounted for approximately 60%, 60%, and 63% respectively, of AptarGroup's net sales.

Fragrance/Cosmetics

The Company believes it is the leading supplier of pumps to the fragrance/cosmetics market worldwide. 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 an aluminized airless bag pump system that protects lotions from oxygen and light contamination. Another 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. The Company began to sell its REPLICA pump in 1998 for miniature fragrance packages. REPLICA is a small fine mist pump, with a mechanism just 32 millimeters in length. Despite its size, REPLICA combines aesthetically pleasing design with the same high level of performance as AptarGroup's conventional pumps.

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 market worldwide. AptarGroup has clean room manufacturing facilities in France, Germany, Switzerland and the United States, which produce pumps in a contaminant-controlled environment. The Company believes that the use of pumps in the dispensing of pharmaceuticals will continue to increase. Demand is increasing for the Company's pumps that provide consistent dosages of particular drugs. During 1998, AptarGroup expanded its sales of unit dose pumps to applications that deliver medicine for migraine relief in a nasal spray. This system ensures that medication is administered quickly and effectively. AptarGroup has developed an ecological pump with a reduced number of components that contains no metal parts and which is made from the same plastic resin. This pump reduces the risk of chemical incompatibility between the product formula and the material used in the pump. AptarGroup is also working with pharmaceutical companies to design dispensing systems for the delivery of such medications as flu vaccines and cold remedies.

Personal Care

The Company believes it is the largest supplier of personal care fine mist pumps worldwide. Personal care pumps are primarily sold for use in hair care and deodorant products. Sales of fine mist pumps to this market have increased significantly over the last several years. The Company is a supplier of lotion pumps to the personal care market primarily in Europe and is expanding sales of lotion pumps to the personal care market in North America.

Other

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

Dispensing Closures (22% of 1998 net sales)

Dispensing closures are plastic caps, primarily for squeezable containers, which allow a product to be dispensed without removing the cap. Products with dispensing closures include shampoos, skin lotions, conditioners, household cleaners, ketchup and salad dressing products. Although the Company sells dispensing closures to all markets, the majority of the Company's sales have been to the personal care market. The Company believes that it is the largest manufacturer of dispensing closures in North America. In 1998, 1997 and 1996, dispensing closure sales accounted for approximately 22%, 19% and 18%, respectively, of AptarGroup's net sales.

Sales of dispensing closures have grown 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.

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 , a no-leak, invertible closure with one-hand dispensing convenience. SimpliSqueeze 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 closure has grown as a result of its current use with hair care, shower gel and moisturizing lotion products and other customer applications.

Household/Industrial

The Company has not had significant dispensing closure sales to the household/industrial 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/industrial 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. In addition, SimpliSqueeze technology has been expanded for use with automotive appearance products. The Company believes that additional applications for this market will arise in the near future.

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 food products, such as edible oils, to squeezable dispensing closures could provide growth opportunities for the Company. The Company's Directional Pour Spout can also be used with food products.

The advantages of SimpliSqueeze were applied in the non-carbonated beverage market. AptarGroup worked with The Coca-Cola Company to incorporate the SimpliSqueeze valve into their sports drink requirements. Due to this success, AptarGroup is tailoring the SimpliSqueeze technology into other food/beverage products.

Other

Sales of dispensing closures to the pharmaceutical market has not been significant. The Company is developing products for this market. Dispensing closures have not been used extensively in the fragrance/cosmetics market.

Aerosol Valves (16% of 1998 net sales)

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 dose aerosol valve used to dispense precise amounts of product. This valve is primarily sold to the pharmaceutical market for lung and heart medications. In 1998, 1997 and 1996, aerosol valve sales accounted for approximately 16%, 19% and 17%, respectively, of AptarGroup's net sales.

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

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/Industrial

The primary applications for valves in the household/industrial 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 which is 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.

Other

Aerosol valves are not significantly used in the food industry. In the fragrance/cosmetics market, pumps have largely replaced valves as the preferred dispensing mechanism.

Research and Development

The Company is continuously involved in developing innovative products and adapting existing products for new markets and customer requirements. Expenditures for research and development activities were $23.6 million, $20.8 million and $20.1 million in 1998, 1997 and 1996, 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 manufacture products in a high-speed, cost-efficient manner. The acquisitions of Liquid Molding Systems (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 will expand the use of the bi-injection molding technology used by General Plastics in more of its operations in 1999 to develop new innovative products for the packaging industry.

Manufacturing and Sourcing

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. Most orders placed with the Company are ready 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/industrial 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 6% of 1998 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, 1998, 1997 and 1996 were approximately 57%, 55% and 58%, respectively, of net sales. The majority of units sold in Europe are manufactured at facilities in England, France, Germany, Ireland, Italy, Spain and Switzerland. Other geographic areas serviced by AptarGroup include Argentina, Australia, Brazil, Canada, Czech Republic, China, India, Indonesia, Japan, and Mexico, though the combined sales from these areas is not significant to AptarGroup's consolidated sales.

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 conditions and results of operations of AptarGroup's foreign entities. In general, since the majority of the Company's foreign 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. The Company manages its exposures to foreign exchange principally with forward exchange contracts to hedge certain firm purchase and sales commitments and intercompany cash transactions denominated in foreign currencies.

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 could materially impact the Company's results of operations.

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 practices. 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 5,700 full-time employees. Of the full-time employees, approximately 1,500 are located in North America, 3,900 are located in Europe and the remaining 300 are located in Asia and South America. Approximately 450 of the North American employees are 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 national 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. 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 strength lies 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. 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 requirements impact the Company's customers and could affect the Company's investment in and manufacturing of products for the pharmaceutical market.

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	Freyung	
Verneuil Sur Avre		
ITALY	NORTH AMERICA	UNITED KINGDOM
San Giovanni Teatino (Chieti)	Cary, Illinois, USA	Leeds, England
Manoppello	Midland, Michigan, USA	
	Mukwonago, Wisconsin, USA	
	Norwalk, Connecticut, USA	
	Queretaro, Mexico	
	Stratford, Connecticut, USA	
SWITZERLAND	IRELAND	BRAZIL
Messovico	Tourmakeady, County Mayo	Sao Paulo
ARGENTINA		
Buenos Aires		

In addition to the above countries, the Company has sales offices or other manufacturing facilities in Australia, Canada, Czech Republic, India, Indonesia, Japan, and Spain. The Company's corporate office is 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, the increase in pump and aerosol valve applications for pharmaceutical products may result in an increase in product liability claims. 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.

During 1998, the Company recorded approximately $9.9 million in favorable settlements of patent infringement lawsuits. The most significant settlement is attributed to a favorable judgment in a lawsuit relating to an aerosol valve component that was recorded in the fourth quarter of 1998. Diluted earnings per share was positively impacted in 1998 by $.16 per share related to these lawsuit settlements.

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 1998 Annual Report to Stockholders, page 38, is incorporated herein by reference. The Common Stock of AptarGroup is traded on the New York Stock Exchange (symbol: ATR). As of March 24, 1999, stockholders of record totaled approximately 850.

Item 6. Selected Financial Data

The information set forth under the heading "Five Year Summary of Selected Financial Data" appearing on page 40 of the Company's 1998 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 41-45 of the Company's 1998 Annual Report to Stockholders is incorporated herein by reference.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

The information set forth under the heading "Management's Discussion and Analysis of Consolidated Results of Operations and Financial Condition" appearing on pages 41-45 of the Company's 1998 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 Changes in Equity," "Notes to Consolidated Financial Statements" and "Report of Independent Accountants" appearing on pages 22-39 of the Company's 1998 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 29, 1999.

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 11, 1999 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 52 has been Executive Vice President of SeaquistPerfect Dispensing L.L.C. since 1996 and Geschaftsfuhrer of SeaquistPerfect Dispensing GmbH since 1986. In 1996, Perfect-Valois Ventil GmbH changed its name to SeaquistPerfect Dispensing GmbH.

Francois Boutan, age 56 has served in the capacity of Vice President

Finance-Europe since 1998. Mr. Boutan was Financial Director and Controller of the European operations of AptarGroup from 1988 to 1998.

Pierre Cheru, age 65 has been Directeur General of Valois S.A. since 1978.

Stephen J. Hagge, age 47, has been Executive Vice President and Chief Financial Officer, Secretary and Treasurer of AptarGroup since 1993.

Lawrence Lowrimore, age 54, has been Vice President-Human Resources of AptarGroup since 1993.

Francesco Mascitelli, age 48, has been Direttore Generale of SAR S.p.A., an Italian subsidiary, since 1991.

Emil Meshberg, age 51, has served as Chief Executive Officer and President of Emson Research, Inc. for more than the past five years.

James R. Reed, age 62, has served as President of SeaquistPerfect Dispensing L.L.C. (formerly known as Seaquist Valve and as Seaquist Dispensing) since 1987.

Eric S. Ruskoski, age 51, has been President of Seaquist Closures L.L.C. since 1987.

Hans-Josef Schutz, age 54, has been Geschaftsfuhrer of the Pfeiffer Group since 1993.

Alain Vichot, age 65, has been Vice President-Marketing of AptarGroup since 1998. From 1994 to 1998, Mr. Vichot was Directeur General Adjoint of Valois S.A.

Item 11. Executive Compensation

The information set forth under the headings "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 11, 1999, 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 11, 1999, 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 11, 1999 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 Balance Sheets	Annual Report, page 22
	Consolidated Statements of Income	Annual Report, page 24
	Consolidated Statements of Cash Flows	Annual Report, page 25
	Consolidated Statements of Changes in Equity	Annual Report, page 26
	Notes to Consolidated Financial Statements	Annual Report, page 27

	Report of Independent Accountants..	Annual Report, page 39
2)	Schedule required by Article 12 of Regulation S-X	
	Report of Independent Accountants on Financial Statement Schedule...	page 17
	II - Valuation and Qualifying Accounts...................................	page 18
	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 19-21 of this report.	

(b) Reports on Form 8-K during the quarter ended December 31, 1998:

No reports on Form 8-K were filed during the quarter ended December 31, 1998.

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 in the City of Crystal Lake, State of Illinois on this 26th day of March 1999.

AptarGroup, Inc.

(Registrant)

By /s/ Stephen J. Hagge

Stephen J. Hagge
Executive Vice President and Chief
Financial Officer, Secretary and Treasurer

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 26, 1999
/s/ Carl Siebel Carl Siebel	President and Chief Executive Officer and Director (Principal Executive Officer)	March 26, 1999
/s/ Peter Pfeiffer Peter Pfeiffer	Vice Chairman of the Board and Director	March 26, 1999
/s/ Stephen J. Hagge Stephen J. Hagge	Executive Vice President and Chief Financial Officer, Secretary and Treasurer (Principal Accounting and Financial Officer)	March 26, 1999

NAME	TITLE	DATE
/s/ Eugene L. Barnett Eugene L. Barnett	Director	March 26, 1999
/s/ Robert Barrows Robert Barrows	Director	March 26, 1999
/s/ Ralph Gruska Ralph Gruska	Director	March 26, 1999
/s/ Leo A. Guthart Leo A. Guthart	Director	March 26, 1999
/s/ Ervin J. LeCoque Ervin J. LeCoque	Director	March 26, 1999
/s/ Alfred Pilz Alfred Pilz	Director	March 26, 1999

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 18, 1999, appearing on page 39 of the 1998 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/ PricewaterhouseCoopers LLP

PRICEWATERHOUSECOOPERS LLP

Chicago, Illinois
February 18, 1999

AptarGroup, Inc.
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED DECEMBER 31, 1998, 1997 AND 1996
(Dollars in Thousands)

	Balance at beginning of period	Charged to costs and expenses	Acquisition	Deductions from reserve (a)	Balance at end of period
1998					
Allowance for doubtful accounts	$3,812	$1,912	$147	$ 739	$5,132
1997					
Allowance for doubtful accounts	$3,623	$1,261	$ --	$1,072	$3,812
1996					
Allowance for doubtful accounts	$3,296	$1,148	$ --	$ 821	$3,623

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

INDEX TO EXHIBITS

Number and Description of Exhibit

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, filed as Exhibit 3(ii) to 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.

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 (the "1993 10-K")(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 (the "Form S-1"), 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 Form S-1, 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 Form S-1 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 Form S-1, 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 Form S-1, 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 to the 1993 10-K, 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 to the 1993 10-K, 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 to the 1993 10-K, 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 to the 1993 10-K, 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 to the 1993 10-K, 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 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.**

10.13 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.**

10.14 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.**

10.15 AptarGroup, Inc. 1996 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.**

10.16 Employment Agreement dated March 6, 1996 of Eric S. Ruskoski, filed as Exhibit 10.17 of the Company's Annual Report on Form 10-K for the year ended December 31, 1996 (File No. 1-11846), is hereby incorporated by reference.**

10.17 Stock Purchase Agreement dated as of February 16, 1999 between AptarGroup, Inc. and The Meshberg Family Trust, filed as Exhibit 2.1 to the Company's Current Report on Form 8-K filed on February 26, 1999 (File No. 1-11846), is hereby incorporated by reference.

10.18 Stock Purchase Agreement dated as of February 16, 1999 among AptarGroup, Inc., Emil Meshberg and Samuel Meshberg, filed as Exhibit 2.2 to the Company's Current Report on Form 8-K filed on February 26, 1999 (File No. 1-11846), is hereby incorporated by reference.

10.19 Agreement of Merger dated as of February 16, 1999 among AptarGroup, Inc., R Merger Corporation, R.P.M. manufacturing Company, Emil Meshberg and Ronald Meshberg, filed as Exhibit 2.3 to the Company's Current Report on Form 8-K filed on February 26, 1999 (File No. 1-11846), is hereby incorporated by reference.

13* 1998 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.

Consolidated Balance Sheets
(Dollars in thousands, except per share)

December 31,	1998	1997
Assets		
Current Assets:		
Cash and equivalents	$ 25,159	$ 17,717
Accounts and notes receivable, less allowance for doubtful accounts of $5,132 in 1998 and $3,812 in 1997	173,289	145,034
Inventories	101,091	79,262
Prepayments and other	17,110	14,148
	316,649	256,161
Property, Plant and Equipment:		
Buildings and improvements	90,768	74,351
Machinery and equipment	565,460	455,382
	656,228	529,733
Less: Accumulated depreciation	(335,650)	(281,899)
	320,578	247,834
Land	4,601	3,819
	325,179	251,653
Other Assets:		
Investments in affiliates	3,217	16,495
Goodwill, less accumulated amortization of $7,757 in 1998 and $6,030 in 1997	49,689	40,479
Miscellaneous	19,939	20,645
	72,845	77,619
Total Assets	$ 714,673	$ 585,433

See accompanying notes to consolidated financial statements.

Consolidated Balance Sheets
(Dollars in thousands, except per share)

December 31,	1998	1997
Liabilities and Stockholders' Equity		
Current Liabilities:		
Notes payable	$ 29,663	$ -
Current maturities of long-term obligations	7,561	2,890
Accounts payable and accrued liabilities	130,209	122,507
	167,433	125,397

Long-Term Obligations

	80,875	70,740	
Deferred Liabilities and Other:			
Deferred income taxes		24,989	21,432
Retirement and deferred compensation plans		14,957	11,872
Minority interests		4,189	4,568
Deferred and other non-current liabilities		6,722	9,369
		50,857	47,241
Stockholders' Equity:			
Preferred stock, $.01 par value, 1 million shares authorized, none outstanding		-	-
Common stock, $.01 par value, 45 million shares authorized, 36.1 and 36.0 million outstanding in 1998 and 1997, respectively		361	180
Capital in excess of par value		105,714	104,699
Retained earnings		329,582	274,524
Accumulated other comprehensive income		(20,149)	(37,348)
		415,508	342,055
Total Liabilities and Stockholders' Equity		$714,673	$585,433

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income
(Dollars in thousands, except per share)

Years Ended December 31,	1998	1997	1996
Net Sales	$713,506	$655,390	$615,808
Operating Expenses:			
Cost of sales	444,615	418,110	399,654
Selling, research & development, and administrative	119,287	108,372	104,282
Depreciation and amortization	54,446	49,917	47,876
	618,348	576,399	551,812
Operating Income	95,158	78,991	63,996
Other Income (Expense):			
Interest expense	(6,451)	(5,293)	(6,330)
Interest income	1,146	1,172	1,132
Equity in income of affiliates	219	1,991	691
Minority interests	(389)	(286)	(324)
Miscellaneous, net	(375)	2,021	1,008
Lawsuit settlements	9,881	-	-
	4,031	(395)	(3,823)
Income Before Income Taxes	99,189	78,596	60,173
Provision For Income Taxes	38,368	32,067	22,625
Net Income	$ 60,821	$ 46,529	$ 37,548
Net Income Per Common Share			
Basic	$ 1.69	$ 1.29	$ 1.05
Diluted	$ 1.65	$ 1.27	$ 1.03

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows
(Dollars in thousands, brackets denote cash outflows)

Years Ended December 31,	1998	1997	1996
Cash Flows from Operating Activities:			
Net income	$ 60,821	$ 46,529	$ 37,548
Adjustments to reconcile net income to net cash provided by operations:			
Depreciation	51,808	47,199	44,798
Amortization	2,638	2,718	3,078
Provision for bad debts	1,912	1,261	1,148
Minority interests	389	286	324
Deferred income taxes	5,031	(26)	4,149
Retirement and deferred compensation plans	2,607	2,003	381
Equity in income of affiliates in excess of cash distributions received	(219)	(1,991)	(590)
Changes in balance sheet items, excluding effects from acquisitions and foreign currency adjustments:			
Accounts and notes receivable	(8,637)	(28,799)	(15,828)
Inventories	(8,727)	(11,639)	(5,211)
Prepaid and other current assets	1,465	709	(631)
Accounts payable and accrued liabilities	(19,287)	32,449	630
Other changes, net	(4,822)	(4,513)	(2,480)
Net cash provided by operations	84,979	86,186	67,316
Cash Flows from Investing Activities:			
Capital expenditures	(79,811)	(71,228)	(62,794)
Disposition of property and equipment	1,911	3,181	858
(Acquisition) disposition of businesses, net	(20,027)	--	1,942
Investments in affiliates	(1,300)	(1,219)	(11)
Collection (Issuance) of notes receivable, net	330	(468)	804
Net cash used by investing activities	(98,897)	(69,734)	(59,201)
Cash Flows from Financing Activities:			
Proceeds from notes payable	28,698	--	--
Repayments of notes payable	--	(4,033)	(2,521)
Proceeds from long-term obligations	7,621	4,901	7,935
Repayments of long-term obligations	(11,374)	(9,617)	(9,629)
Dividends paid	(5,763)	(5,390)	(5,023)
Proceeds from stock options exercised	1,196	1,128	618
Net cash provided (used) by financing activities	20,378	(13,011)	(8,620)
Effect of Exchange Rate Changes on Cash	982	(2,110)	(441)
Net Increase (Decrease) in Cash and Equivalents	7,442	1,331	(946)
Cash and Equivalents at Beginning of Period	17,717	16,386	17,332
Cash and Equivalents at End of Period	$ 25,159	$ 17,717	$ 16,386
Supplemental Cash Flow Disclosure:			
Interest paid	$ 6,347	$ 5,389	$ 6,218
Income taxes paid	$ 36,400	$ 15,620	$ 19,121

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Equity
Years Ended December 31, 1998, 1997, and 1996
(Amounts in thousands, except per share)

	Comprehensive Income	Total Equity	Retained Earnings	Accumulated Other Comprehensive Income	Common Stock Par Value	Capital in Excess of Par Value
Balance - December 31, 1995		$312,286	$200,860	$ 8,293	$ 179	$102,954
Net income	$ 37,548	37,548	37,548			
Foreign currency translation adjustments	(9,730)	(9,730)		(9,730)		
Comprehensive income	$ 27,818					
Stock awards		618				618
Cash dividends declared on common stock		(5,023)	(5,023)			
Balance - December 31, 1996		335,699	233,385	(1,437)	179	103,572

Net income	$ 46,529	46,529	46,529			
Foreign currency translation adjustments	(35,911)	(35,911)		(35,911)		
Comprehensive income	$ 10,618					
Stock awards		1,128			1	1,127
Cash dividends declared on common stock		(5,390)	(5,390)			
Balance - December 31, 1997		342,055	274,524	(37,348)	180	104,699
Net income	$ 60,821	60,821	60,821			
Foreign currency translation adjustments	17,199	17,199		17,199		
Comprehensive income	$ 78,020					
Stock awards		1,196				1,196
Adjustment for stock split					181	(181)
Cash dividends declared on common stock		(5,763)	(5,763)			
Balance - December 31, 1998		$415,508	$329,582	$(20,149)	$ 361	$105,714

See accompanying notes to consolidated financial statements.

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/industrial products and food industries. The Company has manufacturing facilities located throughout the world including facilities in the United States, Europe, Asia and South America.

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.

Stock Split

In August 1998, the Company effected a two-for-one stock split. Previously reported information has been restated to reflect the stock split.

Accounting Estimates

The financial statements are prepared in conformity with generally accepted accounting principles (GAAP). This process requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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 inventories of two foreign operations are 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 50% or less owned affiliated companies which it does not control 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. No dividends from affiliated companies were received in 1998 or 1997, and 1996 dividends were not significant.

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 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 $23,567, $20,843, and $20,120 in 1998, 1997 and 1996, respectively.

Income Taxes

A provision has not been made for U.S. or additional foreign taxes on $220,282 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 these undistributed foreign earnings.

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. Sales 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.

Segment Information

In 1998, the Company adopted Statement of Financial Accounting Standards (FAS) 131, Disclosures about Segments of an Enterprise and Related Information. FAS 131 supersedes FAS 14, Financial Reporting for Segments of a Business Enterprise, replacing the "industry segment" approach with the "management" approach. The management approach designates the internal organization that is used by management for making operating decisions and assessing performance as a source of the Company's reportable segments. FAS 131 also requires disclosures about products and services, geographic areas, and major customers. The adoption of FAS 131 did not affect results of operations or financial position but did affect the disclosure of segment information in Note 15.

NOTE - 2 - ACQUISITIONS AND DISPOSITIONS

During 1998, the Company acquired a controlling interest in three companies and increased its interest in a fourth, for approximately $20 million in cash, and 50,000 shares of the Company's common stock (valued at approximately $1.5 million). The excess purchase price over the fair value of the net assets acquired (goodwill) in these acquisitions was approximately $8 million and is being amortized on a straight-line basis over 40 years. These acquisitions are in companies that manufacture and distribute products similar to the Company's products or supply components to the Company.

The 1998 acquisitions described above were accounted for by the purchase method of accounting for business combinations. Accordingly, the accompanying consolidated statements of income do not include any revenues or expenses related to these acquisitions prior to the respective closing dates. Following are the Company's unaudited pro forma results for 1998 and 1997 assuming the acquisitions occurred on January 1, 1997 (in thousands, except for per share data):

	1998	1997
Net Sales	$740,977	$705,794
Net Income	$ 61,859	$ 47,352
Net Earnings per common share:		
Basic	$ 1.71	$ 1.32
Diluted	$ 1.68	$ 1.29
Weighted average shares outstanding:		
Basic	36,073	35,988
Diluted	36,821	36,568

These unaudited pro forma results have been prepared for comparative purposes only and may not be indicative of the results of operations which would have actually resulted had the combinations been in effect on January 1, 1997, or of future periods. Acquisitions and dispositions in 1997 and 1996 were not significant.

Note - 3 - 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. The Company has 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, 1998, the Company would have received approximately $345 based on the fair 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 $24.7 million and $20.5 million at December 31, 1998 and 1997, respectively. 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. 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 - 4 - Inventories

At December 31, 1998 and 1997, approximately 22% and 25%, respectively, of the total inventories are accounted for by the LIFO method. The LIFO reserve was not material for either 1998 or 1997. Inventories consisted of:

	1998	1997
Raw materials	$ 35,709	$ 25,938
Work-in-process	29,441	21,920
Finished goods	35,941	31,404
Total	$101,091	$ 79,262

Note - 5 - Accounts Payable and Accrued Liabilities

At December 31, 1998 and 1997, accounts payable and accrued liabilities consisted of the following:

	1998	1997
Accounts payable, principally trade	$ 66,086	$ 64,045
Accrued employee compensation costs	32,004	27,922
Accrued federal income taxes payable	2,017	14,292
Other accrued liabilities	30,102	16,248
Total	$130,209	$122,507

Note - 6 - Income Taxes

Income before income taxes consists of:

	1998	1997	1996
Domestic	$ 34,185	$ 22,968	$ 18,995
Foreign	65,004	55,628	41,178
	$ 99,189	$ 78,596	$ 60,173

The provision for income taxes is comprised of:

Current:			
Federal	$ 11,898	$ 7,977	$ 6,318
State/local	1,625	1,738	1,413
Foreign	18,089	22,378	10,745
	31,612	32,093	18,476
Deferred:			

Federal/State	254	(1,391)	(946)
Foreign	6,502	1,365	5,095
	6,756	(26)	4,149
Total	$ 38,368	$ 32,067	$ 22,625

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 1998, 1997 and 1996 to income before income taxes is as follows:

	1998	1997	1996
Income tax at statutory rate	$ 34,716	$ 27,509	$ 21,060
State income taxes, net of federal benefit	1,105	836	806
Rate differential on earnings of foreign operations	2,434	4,364	1,775
Other items, net	113	(642)	(1,016)
Actual income tax provision	$ 38,368	$ 32,067	$ 22,625
Effective income tax rate	38.7%	40.8%	37.6%

Significant deferred tax assets and liabilities as of December 31, 1998 and 1997 are comprised of the following temporary differences:

	1998	1997
Deferred Tax Assets:		
Net operating loss carryforwards	$ 4,787	$ 6,813
Asset bases differentials	3,800	3,991
Pensions	2,428	2,037
Other	10,354	8,501
Total deferred tax assets	21,369	21,342
Deferred Tax Liabilities:		
Depreciation	30,211	25,101
Leases	3,652	3,083
Other	3,453	4,022
Total deferred tax liabilities	37,316	32,206
Net deferred tax liabilities	$ 15,947	$ 10,864

The impact of changes in enacted foreign tax rates on the accounting for deferred taxes under FAS 109 was not significant to the provision for income taxes to the years presented above.

On December 31, 1998, the Company had federal foreign tax net operating loss carryforwards of approximately $7,325 which have an indefinite carryforward period and approximately $1,468 which expire in 2002 and 2003.

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 $2,812 would become payable at the time the income is distributed.

Note - 7 - Debt

The average annual interest rate on short-term notes payable under unsecured lines of credit was approximately 6.0% and 5.0% for 1998 and 1997, respectively. There are no compensating balance requirements associated with short-term borrowings. At December 31, 1998 and 1997, 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 1998, 1997, and 1996 were not significant. The agreement expires on April 29, 2001. The amount used under this agreement was $25 million and $0 at December 31, 1998, and 1997 respectively. 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 recorded as long-term obligations as of December 31, 1998. Short-term obligations of $21.7 million and $3.3 million of current portion of long-term debt were reclassified as long-term obligations as of December 31, 1997.

The revolving credit and the senior unsecured debt agreements 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:

	1998	1997
Borrowing under revolving credit agreement 5.9%, due in 2001	$ 25,000	$ -
Notes payable 1.2% - 17.2%, due in monthly and annual installments through 2009	15,905	6,079
Senior unsecured debt 7.08%, due in installments through 2005	25,000	25,000
Mortgages payable 2.1% - 5.9%, due in monthly and annual installments through 2008	10,377	7,635
Industrial revenue bond, interest at 79% of prime, (which was 6.1% and 6.6% at December 31, 1998 and 1997), due in quarterly installments through 2001	999	1,333
Capital lease obligations	11,155	8,583
	88,436	48,630
Less current portion	(7,561)	(2,890)
Reclass of short-term obligations	-	25,000
Total long-term obligations	$ 80,875	$ 70,740

Substantially 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 1999 are $6,032, $8,930, $33,462, $7,615, $7,830 and $13,412 thereafter.

NOTE - 8 - 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 $5,949, $4,696 and $4,702 in 1998, 1997 and 1996, respectively.

	1998	1997
Assets recorded under capital leases consist of:		
Buildings	$ 12,393	$ 9,014
Machinery and equipment	12,811	11,072
	25,204	20,086
Accumulated depreciation	(12,598)	(10,054)
	$ 12,606	$ 10,032

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, 1998:

	Capital Leases	Operating Leases
1999	$ 2,353	$ 5,713
2000	2,133	3,451
2001	1,961	2,564
2002	1,717	2,153
2003	1,502	1,736
Subsequent to 2003	5,173	4,254
Total minimum lease payments	$ 14,839	$ 19,871
Amounts representing interest	3,684	
Present value of future minimum lease payments	11,155	
Less amount due in one year	(1,529)	
	$ 9,626	

Note - 9 - 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 participants' 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. Changes in the benefit obligation and plan assets of the Company's domestic and foreign plans are as follows:

	1998	1997
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 22,424	$ 20,761
Service cost	2,319	1,276
Interest cost	1,506	1,360

Actuarial loss	2,224	864
Benefits paid	(799)	(634)
Foreign currency translation adjustment	654	(1,203)
Benefit obligation at end of year	$ 28,328	$ 22,424
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 18,194	$ 15,418
Actual return on plan assets	(767)	2,472
Employer contribution	1,164	1,147
Benefits paid	(799)	(634)
Foreign currency translation adjustment	98	(209)
Fair value of plan assets at end of year	$ 17,890	$ 18,194
Funded status	$(10,438)	$ (4,230)
Unrecognized net actuarial loss / (gain)	2,810	(2,774)
Unrecognized prior service cost	472	492
Unamortized net transition asset	(244)	(423)
Accrued benefit cost included in the balance sheet	$ (7,400)	$ (6,935)

	1998	1997	1996
Components of net periodic benefit cost:			
Service cost	$ 2,319	$ 1,276	$ 1,297
Interest cost	1,506	1,360	1,335
Expected return on plan assets	(1,435)	(1,246)	(1,172)
Net amortized and deferred gains and losses	(103)	(171)	(114)
Net periodic benefit cost	$ 2,287	$ 1,219	$ 1,346

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 6.75% and 7.25% in 1998 and 1997, respectively. For the foreign plans, the projected benefit obligation was determined using an assumed discount rate of 5.5% and 6.0% in 1998 and 1997, respectively. The assumed rates of increase in compensation used in 1998 and 1997 were 4.75% and 5.0%, respectively, for the domestic plans and 3.0% and 4.0%, respectively, for the foreign plans. The expected long-term rate of return on plan assets was 8.25% and 8.5% in 1998 and 1997, respectively, for the domestic plans and 6.0% in 1998 and 1997 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 $378 and $277 at December 31, 1998 and 1997, 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 - 10 - 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 - 11 - Lawsuit Settlements

During 1998, the Company recorded approximately $9.9 million in settlements of patent infringement lawsuits. The most significant settlement is attributed to a favorable judgement in a lawsuit relating to an aerosol valve component that was recorded in the fourth quarter of 1998. Diluted earnings per share was positively impacted in 1998 by $.16 per share related to these lawsuit settlements.

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. 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 two-thousandths of a share of Series A junior participating preferred stock, par value $.01 per share, at an exercise price of $35. Each share of Series A junior participating preferred stock will entitle its holder to 2,000 votes and will have a minimum preferential quarterly dividend payment equal to the greater of $10 per share or 2,000 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 $.005 per Right.

NOTE - 13 - STOCK BASED COMPENSATION

At December 31, 1998, 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 FAS 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below.

	1998	1997	1996
Net Income			
As Reported	$ 60,821	$ 46,529	$ 37,548
Pro Forma	$ 58,987	$ 45,343	$ 36,814
Basic Earnings per Share			
As Reported	$ 1.69	$ 1.29	$ 1.05
Pro Forma	$ 1.64	$ 1.26	$ 1.03
Diluted Earnings per Share			
As Reported	$ 1.65	$ 1.27	$ 1.03
Pro Forma	$ 1.60	$ 1.24	$ 1.01

The fair value of stock options granted under the 1996 and 1992 Stock Awards Plans (collectively, the "Stock Awards Plans") was $9.87 and $6.99 per share in 1998 and 1997, 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 1998 and 1997, respectively: dividend yield of .7% for 1998 and .8% for 1997, expected volatility of 26.1% for both years, risk-free interest rate of 5.6% and 6.5% and an expected life of 7.5 years for both years. The fair value of stock options granted under the Director Stock Option Plans in 1998 and 1997 was $13.10 and $8.82 per share. This value was estimated on the date of the grant using the Black-Scholes option-pricing model with the following weighted-average assumptions for 1998 and 1997: dividend yield of .6% and .8%, expected volatility of 25.8% and 26.0%, risk-free interest rate of 5.7% and 6.7% 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 FAS 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 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 4 million. Options granted under these plans become exercisable annually over a three year period and expire ten years after the grant date. Director Stock Option Plans provide for the award of stock options to non-employee Directors who have not previously been awarded options. The combined maximum number of shares subject to options under these plans is 160 thousand. Options granted under these plans become exercisable 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, 1998, 1997 and 1996, 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, 1996	1,285,034	$ 9.19-$ 17.75	38,000	$ 9.19
Granted	327,600	$ 18.00	-	
Exercised	(46,180)	$ 9.19-$ 13.38	(2,000)	$ 9.19
Canceled	(5,710)	$ 9.19-$ 18.00	-	
Outstanding, December 31, 1996	1,560,744	$ 9.19-$ 18.00	36,000	$ 9.19
Granted	366,500	$ 16.81-$ 28.00	56,000	$ 20.88
Exercised	(70,536)	$ 9.19-$ 18.00	(4,000)	$ 9.19
Canceled	(15,576)	$ 13.38-$ 18.00	-	
Outstanding, December 31, 1997	1,841,132	$ 9.19-$ 28.00	88,000	$ 9.19-$ 20.88
Granted	533,500	$ 24.91	6,000	$ 32.38
Exercised	(64,950)	$ 9.19-$ 18.00	(6,000)	$ 9.19
Canceled	(19,794)	$ 9.19-$ 18.00	(4,000)	$ 20.88
Outstanding, December 31, 1998	2,289,888	$ 9.19-$ 28.00	84,000	$ 9.19-$ 32.38
Options Exercisable at 12/31/96	892,010		36,000	
Options Exercisable at 12/31/97	1,147,390		46,000	
Options Exercisable at 12/31/98	1,426,752		55,500	
Available for future grants				
12/31/96	2,371,170		80,000	
12/31/97	2,019,184		24,000	
12/31/98	1,497,378		22,000	

The following table summarizes information about stock options outstanding at December 31, 1998:

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
Stock Awards Plan					
1993	518,286	4.5	$ 9.19	518,286	$ 9.19
1994	240,978	5.1	10.31	240,978	10.31
1995	347,386	6.1	13.63	347,386	13.63
1996	305,636	7.1	18.00	203,338	18.00
1997	351,502	8.1	16.84	116,764	16.84
1998	526,100	9.1	24.91	-	
	2,289,888	6.8	15.94	1,426,752	12.34
Director Stock Options Plan					
1993	26,000	4.4	$ 9.19	26,000	$ 9.19
1997	52,000	8.4	20.88	28,000	20.88
1998	6,000	9.4	32.38	1,500	32.38
	84,000	7.3	18.07	55,500	15.71

Restricted stock totaling 8,100 shares in 1998, 1,062 shares in 1997 and 3,592 shares in 1996 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 under the Stock Awards Plans have been reduced by restricted stock awards.

Note - 14 - Earnings Per Share

The reconciliations of basic and diluted earnings for the years ending December 31, 1998, 1997 and 1996 are as follows:

	Income (Numerator)	Shares (Denominator)	Per Share Amount
For the Year Ended December 31, 1998			
Basic EPS			
Income available to common stockholders	$ 60,821	36,051	$ 1.69
Effect of Dilutive Securities			
Stock options	-	748	
Diluted EPS			
Income available to common stockholders	$ 60,821	36,799	$ 1.65
For the Year Ended December 31, 1997			
Basic EPS			
Income available to common stockholders	$ 46,529	35,938	$ 1.29
Effect of Dilutive Securities			
Stock options	-	580	
Diluted EPS			
Income available to common stockholders	$ 46,529	36,518	$ 1.27
For the Year Ended December 31, 1996			
Basic EPS			
Income available to common stockholders	$ 37,548	35,878	$ 1.05
Effect of Dilutive Securities			
Stock options	-	684	
Diluted EPS			

Income available to common stockholders	$ 37,548	36,562	$ 1.03
	========	========	========

Note - 15 - Segment Information

The Company operates in the packaging components industry, which includes the development, manufacture and sale of consumer product dispensing systems. The Company is organized primarily based upon individual business units, which resulted from historic acquisitions or internally created business units. All of the business units sell primarily dispensing systems. These business units all involve similar production processes, sell to similar classes of customers and markets, use the same methods to distribute their products and operate in similar regulatory environments. Management believes it operates in one segment as defined by FAS 131.

The following are sales and long-lived asset information by geographic area and product information for the years ended December 31, 1998, 1997 and 1996:

Geographic Information

	Sales to Unaffiliated Customers(a)	Long-Lived Assets
1998		
United States	$271,960	$ 97,325
Europe:		
France	172,739	105,225
Germany	89,004	104,197
Italy	63,109	55,700
Other Europe	79,440	24,289
	--------	--------
Total Europe	404,292	289,411
Other Foreign Countries	37,254	10,253
	--------	--------
Total	$713,506	$396,989
	========	========
1997		
United States	$263,589	$ 89,586
Europe:		
France	148,003	81,449
Germany	82,498	84,136
Italy	63,090	44,975
Other Europe	65,153	17,685
	--------	--------
Total Europe	358,744	228,245
Other Foreign Countries	33,057	6,847
	--------	--------
Total	$655,390	$324,678
	========	========
1996		
United States	$233,329	$ 84,727
Europe:		
France	144,644	91,398
Germany	92,623	93,563
Italy	58,126	37,918
Other Europe	60,306	18,336
	--------	--------
Total Europe	355,699	241,215
Other Foreign Countries	26,780	4,537
	--------	--------
Total	$615,808	$330,479

======== ========

(a) Sales are attributed to countries based upon where sales to unaffiliated customers are invoiced.

Product Information

	1998	1997	1996
Pumps	$430,827	$390,467	$386,746
Closures	155,243	127,037	109,687
Valves	113,908	124,405	102,368
Other	13,528	13,481	17,007
Total	$713,506	$655,390	$615,808

NOTE - 16 - QUARTERLY DATA (UNAUDITED)

Quarterly results of operations and per share information for the years ended December 31, 1998 and 1997 are as follows:

	Quarter				
	First	Second	Third	Fourth	Total For Year
Year Ended December 31, 1998					
Net sales	$170,942	$181,752	$182,692	$178,120	$713,506
Gross profit	$ 51,312	$ 55,211	$ 56,246	$ 54,316	$217,085
Net income	$ 13,181	$ 14,264	$ 14,518	$ 18,858	$ 60,821
Per Common Share - 1998					
Net income					
Basic	$ .37	$ .40	$ .40	$ .52	$ 1.69
Diluted	$ .36	$ .39	$ .39	$ .51	$ 1.65
Dividends paid	$ .04	$ .04	$ .04	$ .04	$ .16
Stock price high	$ 31.81	$ 32.94	$ 33.44	$ 30.13	$ 33.44
Stock price low	$ 23.97	$ 28.00	$ 21.75	$ 19.69	$ 19.69
Average number of basic shares outstanding	35,992	36,024	36,087	36,098	36,051
Average number of diluted shares outstanding	36,716	36,852	36,867	36,773	36,799
Year Ended December 31, 1997					
Net sales	$158,290	$171,811	$163,525	$161,764	$655,390
Gross profit	$ 45,600	$ 49,254	$ 47,888	$ 47,339	$190,081
Net income	$ 11,413	$ 12,081	$ 12,474	$ 10,561	$ 46,529
Per Common Share - 1997					
Net income					
Basic	$ .32	$ .34	$ .35	$ .29	$ 1.29
Diluted	$ .31	$ .33	$ .35	$ .29	$ 1.27
Dividends paid	$ .035	$ .035	$ .04	$ .04	$ .15
Stock price high	$ 20.31	$ 22.94	$ 29.56	$ 29.56	$ 29.56
Stock price low	$ 16.38	$ 17.56	$ 22.25	$ 25.22	$ 16.38
Average number of basic shares outstanding	35,908	35,922	35,950	35,972	35,938
Average number of diluted shares outstanding	36,300	36,476	36,626	36,682	36,518

NOTE - 17 - SUBSEQUENT EVENTS

On February 17, 1999, the Company acquired Emson Research, Inc. and related companies (Emson) for approximately $123 million in cash and $4 million in shares of the Company's stock. Approximately $23 million of debt was assumed in the transaction. This acquisition was primarily funded through short-term borrowings, although the Company anticipates incurring long-term obligations in 1999 to replace all or part of the short-term borrowings associated with the acquisition. Emson is a leading supplier of perfume pumps in the North American market and also maintains a significant position in the North American personal care and food pump markets. Emson is also present in certain international markets, principally in Europe. Emson sales for 1998 was approximately $85 million. This acquisition was accounted for under the purchase method of accounting.

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 changes in equity present fairly, in all material respects, the financial position of AptarGroup, Inc. and its subsidiaries at December 31, 1998 and 1997 and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998 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/ PricewaterhouseCoopers LLP

Chicago, Illinois
February 18, 1999

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	STEPHEN J. HAGGE

President and Chief Executive Officer	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,	1998	1997	1996	1995	1994
Statement of Income Data:					
Net Sales	$713.5	$655.4	$615.8	$557.5	$474.3
Cost of Sales	444.6	418.1	399.7	358.4	301.5
% Of Net Sales	62.3%	63.8%	64.9%	64.3%	63.6%
Selling, Research & Development, and Administrative	119.3	108.4	104.3	96.2	85.7
% of Net Sales	16.7%	16.5%	16.9%	17.3%	18.1%
Depreciation and Amortization	54.4	49.9	47.9	43.5	38.4
% of Net Sales	7.6%	7.6%	7.8%	7.8%	8.1%
Operating Income	95.2	79.0	64.0	59.3	48.7
% of Net Sales	13.3%	12.1%	10.4%	10.6%	10.2%
Net Income	60.8	46.5	37.5	35.7	27.3
% of Net Sales	8.5%	7.1%	6.1%	6.4%	5.7%
Net Income, excluding effect of lawsuit settlements	54.7	46.5	37.5	35.7	27.3
% of Net Sales	7.7%	7.1%	6.1%	6.4%	5.7%
Per Common Share:					
Net Income					
Basic	1.69	1.29	1.05	1.00	0.83
Diluted	1.65	1.27	1.03	0.99	0.82
Diluted, excluding effect of lawsuit settlements	1.49	1.27	1.03	0.99	0.82
Cash Dividends Declared	0.16	0.15	0.14	0.13	0.115
Balance Sheet and Other Data:					
Capital Expenditures	$ 79.8	$ 71.2	$ 62.8	$ 55.5	$ 41.9
Total Assets	714.7	585.4	576.1	559.2	465.4
Long-Term Obligations	80.9	70.7	76.6	80.7	53.8
Stockholders' Equity	415.5	342.1	335.7	312.3	270.6
Interest Bearing Debt to Total Capitalization	22.1%	17.7%	21.1%	23.8%	19.2%
Net Debt to Total Net Capitalization (1)	18.3%	14.0%	18.0%	20.5%	14.0%

(1) Net Debt is debt less cash and cash equivalents. Net Capitalization is Stockholder's Equity plus Net Debt.

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,	1998	1997	1996
Net sales	100.0%	100.0%	100.0%
Cost of sales	62.3	63.8	64.9
Selling, research & development, and administrative	16.7	16.5	16.9
Depreciation and amortization	7.6	7.6	7.8
Operating income	13.4	12.1	10.4
Other income (expenses), net	0.5	(0.1)	(0.6)
Income before income taxes	13.9	12.0	9.8
Provision for income taxes	5.4	4.9	3.7

Net income	8.5%	7.1%	6.1%
	=====	=====	=====

1998 Compared to 1997

Net sales in 1998 totaled $713.5 million, an increase of 8.9% when compared to net sales of $655.4 million in 1997. Sales were negatively affected by the translation of AptarGroup's foreign sales due to the stronger U.S. dollar relative to 1997. If the U.S. dollar exchange rates had not changed from year to year, net sales for 1998 would have increased approximately 10%. More than half of the increase (approximately 56%), is attributed to increased volume of the Company's major product lines in all the markets it serves except for aerosol valve sales in the U.S. to the personal care and household markets, and pump sales worldwide to the low to mid-priced fragrance/cosmetics market. The remainder of the increase is due to sales from acquisitions completed in 1998. European sales represented approximately 57% of the Company's total sales compared to 55% in 1997. U.S. sales represented approximately 38% of the Company's total sales compared to 40% in 1997. Sales from other foreign operations represented 5% of the Company's total sales in both 1998 and 1997.

Cost of sales as a percent of net sales decreased in 1998 to 62.3% compared to 63.8% in 1997. The decrease is attributed to the mix of products sold and cost savings. The impact of changes in raw material costs, including plastic resin and metal, in 1998 was not significant.

Selling, research & development, and administrative ("SG&A") increased as a percent of sales in 1998 to 16.7% from 16.5% in 1997. The increase is due to increased spending on research and development projects and an increase in information technology expenses related to the Euro introduction and implementation of new enterprise software systems at two major operations.

Depreciation and amortization represented 7.6% of sales for both 1998 and 1997.

Operating income increased to $95.2 million compared to $79.0 million in 1997, primarily due to the product mix and cost savings mentioned above. The impact on operating income due to the slightly stronger U.S. dollar in 1998 was insignificant.

Operating income from European operations (excluding corporate expenses) represented 76% and 74% of total operating income in 1998 and 1997, respectively. Operating income in 1998 from U.S. operations (excluding corporate expenses) represented 37% of total operating income compared to 41% in 1997. The increase in the percentage of operating income attributable to European operations was primarily due to the mix of products sold. The reconciling difference between European and U.S. operating income to total operating income is income from other foreign operations, corporate expenses and inter-geographic consolidated eliminations.

Net other income (expenses) increased to $4.0 million income in 1998 from ($0.4 million) expense in 1997. The significant change in net other income (expense) is due to approximately $9.9 million in favorable lawsuit settlements received in 1998. These favorable lawsuit settlements were offset by a decrease of $1.8 million in income of affiliates due to the consolidation in 1998 of two subsidiaries in which the Company purchased majority interests during the year. These subsidiaries were previously recorded on the equity method of accounting. In addition, $2.5 million in net foreign currency transaction losses from 1997 to 1998 also offset the favorable settlements. The net realized transaction losses are primarily due to the U.S. dollar weakening against the major European currencies in the second half of the year.

The effective income tax rate decreased to 38.7% in 1998 from 40.1% in 1997. The 1997 effective tax rate includes an adjustment to the balance of deferred taxes due to the increase in the French corporate tax rate in 1997.

This adjustment did not reoccur in 1998. In addition, the ongoing rationalization of tax rates combined with the mix of income earned also helped contribute to the decrease in the effective tax rate. The Company expects the effective tax rate for 1999 to be in the range of 36% to 37%.

Net income increased 30.7% to $60.8 million in 1998 compared to $46.5 million in 1997. This increase includes the effect of the lawsuit settlements mentioned above. Excluding the lawsuit settlements, net income increased 18% to $54.7 million compared to the $46.5 million recorded in 1997. The increase in net income excluding the lawsuit settlements is primarily due to the increase in sales volume, a better mix of products sold, and cost savings efforts.

1997 COMPARED TO 1996

Net sales in 1997 totaled $655.4 million, an increase of 6.4% when compared to net sales of $615.8 million in 1996. Sales were negatively affected by the translation of AptarGroup's foreign sales due to the stronger U.S. dollar relative to 1996. If the U.S. dollar exchange rates had not changed from year to year, net sales for 1997 would have increased approximately 15%. The increase in sales is primarily attributed to increased volume of the Company's major product lines despite a competitive pricing environment. European sales represented approximately 55% of the Company's total sales compared to 58% in 1996. U.S. sales represented approximately 40% of the Company's total sales compared to 38% in 1996. Sales from other foreign operations represented 5% of the Company's total sales compared to 4% in 1996.

Cost of sales as a percent of net sales decreased in 1997 to 63.8% compared to 64.9% in 1996. The decrease is attributed to the mix of products sold, cost savings and a net gain from changes in exchange rates on inter-country transactions. The impact of changes in raw material costs, including plastic resin and metal, in 1997 was not significant.

SG&A increased to $108.4 million compared to $104.3 million in 1996. SG&A decreased as a percent of sales to 16.5% in 1997 from 16.9% in 1996 due to sales growing at a faster pace than SG&A expenses.

Depreciation and amortization expenses increased to $49.9 in 1997 from $47.9 million in 1996. As a percent of sales, depreciation and amortization decreased to 7.6% in 1997 from 7.8% in 1996.

Operating income increased to $79.0 million compared to $64.0 million in 1996. Operating income was favorably impacted in 1997 by approximately $4.3 million of a net gain due to favorable changes in exchange rates between comparable periods on various inter-country transactions, partially offset by the adverse effect of the stronger U.S. dollar on the translation of foreign denominated results.

During 1997, the Company began production in China. Due to underutilization of overheads during this first year of production, operating income was adversely affected by $1.2 million.

Operating income from European operations (excluding corporate expenses) represented 74% and 68% of total operating income in 1997 and 1996, respectively. Operating income in 1997 from U.S. operations (excluding corporate expenses) represented 41% of total operating income compared to 44% in 1996. The increase in the percentage of operating income attributable to European operations was primarily due to the mix of products sold and the net gain from changes in exchange rates. The reconciling difference between European and U.S. operating income to total operating income is income from other foreign operations, corporate expenses and inter-geographic consolidated eliminations.

Net other expenses decreased to $0.4 million in 1997 from $3.8 million in 1996. The decrease is primarily attributable to increased income from equity investments in affiliates coupled with lower net interest expense.

The effective income tax rate increased to 40.8% in 1997 from 37.6% in 1996. The increased effective tax rate is primarily due to an increased corporate tax rate in France combined with the mix of income earned. During the fourth quarter of 1997, the French government increased the French corporate tax rate by 5 percentage points, from 36.7 to 41.7 percent, retroactive to the beginning of the year. This increased income tax expense for the year by approximately $1.8 million, which was recorded in the fourth quarter. Had the French tax increase been passed at the beginning of 1997, income taxes for each quarter would have increased by approximately $0.4 million. The remainder relates to an adjustment to the balance of deferred taxes at the beginning of the year which will not recur in 1998. The increased French tax rate will continue in 1998. The Company expects the effective tax rate for 1998 to be in the range of 40.0% to 40.5%.

Net income increased 24% to $46.5 million in 1997 compared to $37.5 million in 1996. The increase in net income is primarily due to higher sales volume and cost containment efforts.

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. The Company's significant foreign exchange exposures are to the major currencies which are now part of the Euro (the Italian Lira, French Franc and German Mark). The Company manages its exposures to foreign exchange principally with forward exchange contracts to hedge certain firm purchase and sales commitments and intercompany cash transactions denominated in foreign currencies.

The table below provides information as of December 31, 1998 about the Company's forward currency exchange contracts. All the contracts expire before the end of the second quarter of 1999.

Buy/Sell	Contract Amount	Average Contractual Exchange Rate
FRF/USD	$ 13,400	5.59
LIRE/FRF	4,286	295.33
LIRE/USD	2,600	1,611.80
FRF/GBP	1,810	9.65
DM/USD	1,318	1.65
FRF/YEN	998	0.0453

The Company is also party to certain smaller contracts to buy or sell various other currencies (principally European and Australian) that had an aggregate contract amount of approximately $0.3 million as of December 31, 1998.

All forward exchange contracts outstanding as of December 31, 1997 had an aggregate contract amount of $20.5 million.

The Company has 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, 1998, the Company would have received approximately $345 based on the fair value of the swap on that date.

The table below presents the cash flows in both foreign currency and U.S. dollars that are expected to be exchanged over the duration of the contract.

	1999	2000	2001	2002	2003	Thereafter
Pay FRF	FRF 8,253	7,822	7,400	6,992	6,560	11,850
Receive USD	$1,602	1,525	1,450	1,377	1,299	2,370

Additionally, in some cases, the Company sells products denominated in a currency different from the currency for 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 1998, the Company utilized the majority of such cash flows to finance capital expenditures and acquisitions. Net cash provided by operations was $85.0 million, $86.2 million, and $67.3 million during 1998, 1997 and 1996, 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 were $25.2 million at December 31, 1998 versus $17.7 million at December 31, 1997 and $16.4 million at December 31, 1996.

Working capital increased to $149.2 million at December 31, 1998 compared to $130.8 million and $121.0 million at December 31, 1997 and 1996, respectively. The increase in working capital in 1998 and 1997 was primarily due to an increase in accounts receivable and inventory, the majority of which was due to acquisitions the Company made in 1998.

Net cash used by investing activities totaled $98.9 million, $69.7 million, and $59.2 million for the years ended December 31, 1998, 1997 and 1996, respectively. The increase between 1997 and 1998 is primarily due to acquisitions completed in 1998 of $20.0 million and an increase in capital expenditures of $8.6 million. Capital expenditures were $79.8 million, $71.2 million, and $62.8 million for the years ended December 31, 1998, 1997 and 1996, respectively. Cash outlays for capital expenditures for 1999 are estimated to be approximately $85 million before any effects of acquisitions made in 1999.

Net cash provided (used) by financing activities was $20.4 million, $(13.0) million, and $(8.6) million for the years ended December 31, 1998, 1997 and 1996, respectively. The net cash provided by financing activities was used to help fund acquisitions completed during 1998. The Company's total interest bearing debt net of cash to total capitalization net of cash ratio was 18.3% and 14.0% as of December 31, 1998 and 1997, 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, 1998 and 1997, 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 borrowed the full $25 million against this agreement at December 31, 1998. The Company had no borrowings outstanding against this agreement at December 31, 1997.

On February 17, 1999, the Company acquired Emson Research, Inc. and related companies (Emson) for approximately $123 million in cash and $4 million of the Company's stock. Approximately $23 million of debt was assumed in the transaction. This acquisition was funded through short-term borrowings, although the Company anticipates incurring long-term obligations in 1999 to replace all or part of the short-term borrowings associated with the acquisition. Emson is a leading supplier of perfume pumps in the North American market and also maintains a significant position in the North American personal care and food pump markets.

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.

OUTLOOK

A general slowdown in the demand for pumps for the low to mid-priced fragrance/cosmetics market occurred in the second half of 1998. This slowdown is principally attributed to the impact of both the Russian and Asian crises experienced in 1998. This slowdown has continued into 1999. It is anticipated that this sector of the fragrance/cosmetics market will experience some recovery in the second half of the year, but no assurance can be given in that respect. Should the slowdown continue longer than expected, it may start to have a negative impact on the results of the Company.

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 Company's net income could be affected by increases in raw material costs. The Company will attempt to offset inflation through cost containment and increased selling prices over time, as allowed by market conditions.

As the Company expands geographically, particularly into Asia and South America, investments may be made in countries that may not be as politically stable as the U.S. or the western European countries in which the Company primarily had operations at the end of 1998. The Company intends to monitor its exposure in these other countries to minimize risk.

The European Community introduced a common European monetary unit called the Euro effective January 1, 1999. While the Euro has had significant accounting and systems impacts, the introduction has not had a material effect on the results of operations. As more customers and suppliers become more comfortable in working with the single currency in the future, the Euro could have impacts on pricing and costs. The Company believes that any negative impact coming from pricing will be more than offset by the increase in consumer demand that a stronger European Community will bring in the future.

The Company could experience an increase in the level of customer orders in the second half of 1999 if certain customers desire to increase their inventory levels relating to Year 2000 concerns.

YEAR 2000

As many computer systems and other equipment with embedded chips or processors (collectively, "Enterprise Systems") use only two digits to represent the year, they may be unable to process accurately certain data before, during or after the year 2000. This is commonly known as the Year 2000 ("Y2K") issue. The Y2K issue can arise at any point in an entity's supply, manufacturing, processing, distribution, and financial chains.

The Company has implemented a Y2K readiness program with the objective of having all of the significant Enterprise Systems, including those that affect facilities and manufacturing activities, functioning properly with respect to the Y2K issue before January 1, 2000. The Company has established standardized planning, assessment and progress documentation as well as set critical deadlines that apply to all significant subsidiaries.

In order to address the Y2K issue, the Company has developed and implemented a five-phase readiness program which is comprised of 1) planning, 2) assessment, 3) renovation/replacement, 4) testing/validation, and 5) contingency planning. The Company has completed the planning and assessment phases of the program. Currently, the Company is in the process of completing the renovation/replacement phase and has begun the testing/validation phase. While the Company intends to carry out contingency planning actions throughout the duration of the Y2K preparation process, the Company's objective is to complete the testing/validation of all significant Enterprise Systems by the end of the first quarter of 1999. Though certain systems may require additional modification after the first quarter of 1999, the Company believes that these systems will be fully Y2K ready by the end of 1999. However, as part of the Company's Y2K readiness program, contingency plans are required for any significant Enterprise System that, for any reason, cannot be tested and successfully validated by the end of the first quarter of 1999.

The different phases of the program address the potential Y2K risk that could be found in the following five functional areas: 1) business applications (hardware and software), 2) production equipment, 3) facility systems, 4) communication infrastructure and 5) vendor/customer management.

Although the Company has a significant number of key business partners, including suppliers and customers, the Company does not currently anticipate any material disruption in its business due to supplier or customer Y2K issues. More specifically, the Company, through the current stage of its Y2K program, has not received any information that would lead it to believe that any significant supplier or customer will suffer business interruption due to Y2K issues to a degree that would materially affect the Company's ability to conduct business.

Concurrently with the Y2K readiness measures described above, the Company is developing contingency plans intended to mitigate the possible disruption in business operations that may result from the Y2K issue, and is developing cost estimates for such plans. Once developed, contingency plans and related cost estimates will be continually refined, as additional information becomes available. Contingency plans may include increasing inventory levels, securing alternate sources of supply, adjusting facility shut-down and start-up schedules and other appropriate measures.

To date, the Company has not incurred any material costs related to the different phases of its Y2K program. The current estimated costs of the project are based on management's estimates, which were derived utilizing numerous assumptions of future events including the continued availability of certain resources, third party modification plans and other factors. However, there can be no guarantee that these estimates will be achieved and actual results could differ significantly from those planned. Based on management's current estimations, the projected costs of the Company's Y2K readiness program are expected to total $3.5 million.

Although the Company expects its critical Enterprise Systems to be Y2K ready by the end of 1999, there is no guarantee that these results will be achieved. Specific factors that give rise to this uncertainty include a possible loss of technical resources to perform the work, failure to identify all susceptible systems, non-compliance by third parties whose systems and operations impact the Company, and other similar uncertainties. A reasonably possible worst case scenario might include one or more of the Company's significant production facilities incurring interruption in business either from internal systems failures or failure to perform on the part of third parties, including suppliers. Such an event could result in a material disruption to the Company's operations. Specifically, the Company could experience an interruption in its ability to produce certain products, collect and process orders, process payments, manage inventory and perform adequate customer service. Should the worst case scenario occur it could, depending on its duration, have a material adverse impact on the Company's results of operations and financial position, but that impact is not estimable.

ADOPTION OF ACCOUNTING STANDARDS

In March 1998 and April 1998, the AcSEC (Accounting Standards Executive Committee) issued Statement of Position (SOP) 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use" and SOP 98-5 "Reporting on the Costs of Start-Up Activities," respectively. Both Statements are effective for fiscal years beginning after December 15, 1998, and early adoption is encouraged. SOP 98-1 provides guidance on accounting for the costs of computer software developed or obtained for internal use. SOP 98-5 requires that entities expense start-up costs and organization costs as they are incurred. The Company has already adopted both of these Statements and the impact of adoption was not material to the financial statements.

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement is effective for all fiscal quarters of all fiscal years beginning after June 15, 1999. This Statement requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. Due to the complexity of this new standard, the Company is still assessing the impact it will have on the financial position or results of operations.

FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis and certain other sections of this annual report contain forward-looking statements that involve a number of risks and uncertainties. Forward-looking statements are made pursuant to the safeharbor provision of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and are based on management's beliefs as well as assumptions made by and information currently available to management. Accordingly, the Company's actual results may differ materially from those expressed or implied in such forward-looking statements due to known or unknown risks and uncertainties that exist in the Company's operations and business environment, including, among other factors, government regulation including tax rate policies, competition and technological change, intellectual property rights, the failure by the Company to produce anticipated cost savings or improve productivity, the failure by the Company or its suppliers or customers to achieve Y2K compliance, the timing and magnitude of capital expenditures and acquisitions, currency exchange rates, economic and market conditions in the United States, Europe and the rest of the world, changes in customer spending levels, the demand for existing and new products, the cost and availability of raw materials, the successful integration of the Company's acquisitions, and other risks associated with the Company's operations. Although the Company believes that its forward-looking statements are based on reasonable assumptions, there can be no assurance that actual results, performance or achievements will not differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on forward-looking statements.

EXHIBIT 21

APTARGROUP, INC.

LIST OF SUBSIDIARIES

	State or Other Jurisdiction of Incorporation	Percentage Owned
AptarGroup International L.L.C.	Delaware	100%
AptarGroup Foreign Sales Corporation	Barbados	100%
AptarGroup Holding S.A.	France	100%
Aptar GmbH	Germany	100%
Erich Pfeiffer GmbH	Germany	100%
Pfeiffer Vaporisateurs France S.a.r.L.	France	100%
P & S Japan Ltd.	Japan	100%
Pfeiffer (U.K.) Limited	United Kingdom	100%
P&P Promotion of German Manufacturing Technologies GmbH	Germany	100%
Vallis Leasobjekt Gesellschaft GmbH	Germany	51%
Loeffler Beteilugungs GmbH	Germany	100%
Seaplast S.A.	Spain	50%
Seaquist-Loeffler GmbH	Germany	100%
Loffler Stet Spol. S.R.O.	Czech Republic	100%
SeaquistPerfect Dispensing GmbH	Germany	100%
Valois Deutschland GmbH	Germany	100%
AptarGroup S.A.	France	100%
Aptar South Europe SARL	France	100%
Novares S.p.A.	Italy	100%
SAR S.p.A.	Italy	100%
SAR France SCA	France	100%
AptarGroup SAR Finance Unlimited	Ireland	100%
Sar GmbH	Germany	100%
SAR (U.K.) Limited	United Kingdom	100%
Tes S.p.A.	Italy	35%
Caideil M.P. Teoranta	Ireland	100%
General Plastics S.A.	France	100%
Graphocolor	France	60%
Moulage Plastique de Normandie S.A.	France	100%
Perfect-Valois U.K. Limited	United Kingdom	100%
Seaquist-Loeffler Limited	United Kingdom	100%
Valois S.A.	France	100%
Valois Dispray S.A.	Switzerland	100%
Valois Espana S.A.	Spain	100%
Valois Italiana S.r.l.	Italy	100%
Inairic S.A.	Argentina	100%
Sar Dispensing Systems Ltd.	Hong Kong	100%
SAR Do Brasil Ltda.	Brazil	100%
Seaquist Canada Ltd.	Canada	100%
Seaquist Finance Unlimited	Ireland	100%
Seaquist-Valois Australia Pty. Ltd.	Australia	100%
Seaquist-Valois do Brasil Ltda.	Brazil	100%
Seaquist-Valois Japan, Inc.	Japan	100%
Aptar Suzhou Dispensing Ltd.	P.R. China	100%
CosterSeaquist L.L.C.	Illinois	50%
Emson Research, Inc.	Connecticut	100%
Emson Europe Ltd.	United Kingdom	100%
Emson Foreign Sales Corporation	U.S. Virgin Islands	100%
Emson, Inc.	Connecticut	100%

Emson Ventures, Inc.	Connecticut	100%
Emson Ventures II, Inc.	Connecticut	100%
P.T. Emson Ongko Indonesia	Indonesia	100%
Emson Ventures III, Inc.	Connecticut	100%
Emson Spraytech India Private Ltd.	India	51%
Emson Ventures IV, Inc.	Connecticut	100%
Global Precision, Inc.	Florida	100%
Liquid Molding Systems, Inc.	Delaware	100%
Philson, Inc.	Connecticut	100%
Pfeiffer of America, Inc.	Delaware	100%
P Merger Corporation	Connecticut	100%
R.P.M. Manufacturing Company	Connecticut	100%
SAR U.S.A. Inc.	Delaware	100%
Seaquist Closures L.L.C.	Delaware	100%
Seaquist Closures Foreign, Inc.	Delaware	100%
Seaquist de Mexico, S.A. de C.V.	Mexico	75%
SeaquistPerfect Dispensing L.L.C.	Delaware	100%
SeaquistPerfect Dispensing Foreign, Inc.	Delaware	100%
Valois of America, Inc.	Connecticut	100%

EXHIBIT 23

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 18, 1999 appearing on page 39 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/ PricewaterhouseCoopers LLP
Chicago, Illinois
March 26, 1999

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