

17th August 1999

FIRST PACIFIC'S BERLI JUCKER'S PROFIT TRIPLES IN FIRST HALF TO THB360 MILLION

First Pacific's Thai flagship, Berli Jucker Public Company Limited, announced today that net income reached THB170.4 million in the second quarter following a loss of THB25.3 million a year earlier, and was up three-fold in the first half to THB359.5 million amid improved contributions by each of its core businesses.

The performance was supported by a return of foreign exchange stability following last year's volatility, as well as the absence of exceptional charges, including the THB92.6 million charge in last year's second quarter covering the discontinuation of the Company's planned glass-bottle manufacturing facility in Vietnam.

Consolidated sales rose 5 per cent in the second quarter to THB2,736.9 million and were up 1 per cent in the half to THB5,475.7 million. Gross margins increased to 27.6 per cent in the second quarter from 23.1 per cent a year earlier, bolstered by the stronger baht, which lowered the Company's cost of sales and reduced pressure for local inflationary cost increases.

In the Consumer Products business, sales rose 12 per cent to THB805 million in the second quarter, and were up 10 per cent to THB1,588 million in the half, as profit rose substantially. Parrot brand soap paced the rise, as sales doubled in the first despite sharp competition and its shampoo line was successfully launched.

Tissue-paper sales grew strongly and should remain strong with the recent installation of new, more efficient production machinery which will permit the manufacture of bulk tissue paper rolls for the export and private label markets. Snack-food sales were encouraging, led by potato-chip products, with new product lines to be introduced this year. Confectionery sales were healthy, benefiting from the introduction of new and packaging redesigns.

The newly announced restructuring of the Consumer Products business - which encompasses centralization of product development and a clear delineation between Berli Jucker's brands and third-party products - should lead to improved service levels, lower operating costs and stronger branding.

The Packaging business, led by Thai Glass Industries, achieved sales growth of 3 per cent in the second quarter to THB1,013 million and 4 per cent in the half to THB2,063 million. Profit rose substantially due to a combination of improved

manufacturing efficiencies, enhanced margins due to a change in the product mix, and the Company's raising its stake in Thai Glass to 98 per cent from 66 per cent. Beer bottle production rose 22 per cent in second quarter to 132 million units, and demand for food containers remained strong, particularly for ketchup, food essence and seasoning lines. Demand for energy drink bottles has risen markedly in recent months due both to promotional activities and the resumption of export. Berli Prospack, which manufactures rigid plastic containers, recorded a sharp rise in sales, although margins remained under pressure.

The Technical Products business saw sales decline 2 per cent in the second quarter to THB801 million and down 3 per cent on the half to THB1,656 million, as profit rose substantially due to reduced working capital costs and a larger proportion of sales being in the higher margin technical equipment sector. Sales rose modestly at Thai Klinipro, which produces medical gowns and exports to European markets, but declined at other units. Poor sales of photographic products, which are mainly aimed at the retail sector, were partially offset by better sales of imaging products. Chemical product sales declined slightly, due to cooler weather which led to decreased demand for refrigerants. Sales of medical products declined slightly, while gross margins improved.

The Engineering business recorded a 2 per cent rise in sales in the second quarter to THB116 million and a 41 per cent down in the half to THB188 million, and contributed a sharply lower loss than a year earlier. Berli Jucker's Engineering Division remained profitable but suffered from delays in payment of project billings. Thai Scandic Steel, which manufactures galvanized towers for use in electricity and telecommunication sectors, successfully negotiated an exit from large, unprofitable contracts and is now concentrating on a smaller number of projects which will generate positive cash flow. Its future is still uncertain, however, as it remains at a production cost disadvantage versus imported product, due to Thailand's import tariff rules.

Berli Jucker's positive cash flows have enhanced its already healthy cash position. However, net debt rose to THB1,495 million at the end of the second quarter, compared with THB1,021 million a year earlier, reflecting the privatization of Thai Glass. Gearing - expressed as a ratio of net debt to shareholders' equity - increased to 19.2 per cent from 13.3 per cent.

David J. Nicol, the Company's President and CEO, said: "The second quarter has been very encouraging. Our balance sheet is strong, sales are steadily increasing, and gross

margins have almost attained pre-devaluation levels. With the new focus in our Consumer Products group and the continued profitability of Thai Glass, the second half of this year should also be positive. There is still some uncertainty over the future of our Engineering activities, and although they play a relatively minor role in Berli Jucker, they are receiving close management attention. However, Berli Jucker will be equally focused in the second half on expanding its capabilities, both from improving sale volumes and product offerings, and by pursuing new business opportunities."

Financial data

BERLI JUCKER PUBLIC CO. LTD. AND SUBSIDIARIES
SUMMARY OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

(UNAUDITED)

(AMOUNTS IN THOUSANDS OF BAHT)

BALANCE SHEET AS AT JUNE 30

	<u>1999</u>	<u>1998</u>
Current Assets	6,710,619	7,824,534
Total Assets	14,748,774	16,045,581
Current Liabilities	3,098,511	3,410,192
Shareholders' Equity	7,775,760	3,662,106

STATEMENTS OF INCOME

	Three Months Ended		Six Months Ended		Three Months Ended	
	<u>June 30</u>		<u>June 30</u>		<u>March 31</u>	
	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
Revenue on sales	2,736,893	2,611,852	5,475,665	5,447,106	2,738,772	2,835,254
Share of profits less losses of associated companies	2,916	1,255	7,051	58,555	4,135	57,300
Total Revenues	2,783,806	2,734,157	5,570,944	5,658,767	2,787,138	2,924,610
Cost of sales	1,980,285	2,008,678	3,953,401	4,120,437	1,973,116	2,111,759
Other expenses	560,013	561,187	1,103,625	1,075,332	543,612	514,145
Net income before foreign exchange gain or loss	170,955	108,826	358,767	289,345	187,812	180,519
Foreign exchange (gain) loss	558	41,545	(708)	106,029	(1,266)	64,484

Net income before extraordinary items	170,397	67,281	359,475	183,316	189,078	116,035
Extraordinary item						
Provision for loss on suspension of subsidiary business sequence		(92,583)		(92,583)	0	0
Net income after extraordinary item	170,397	(25,302)	359,475	90,733	189,078	116,035
Earnings per Share before extraordinary item (Baht)	1.07	1.16	2.26	3.17		
Earnings per Share after extraordinary item (Baht)	1.07	(0.44)	2.26	1.57	1.19	2.01
Number of equity shares (Share 000)	158,813	57,750	158,813	57,750	158,812.5	57,750
