

1 March 2001

DARYA-VARIA REPORTS SUSTAINED GROWTH DESPITE NET LOSS DUE TO FOREIGN EXCHANGE LOSSES

The attached press release has been issued by PT Darya-Varia Laboratoria. First Pacific has a 89.5 per cent economic interest in Jakarta-listed Darya-Varia, a leading fully-integrated healthcare company engaged in the manufacture, marketing and distribution of prescription and over-the-counter medicines. Further information on Darya-Varia can be found at www.darya-varia.com.

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DARYA-VARIA REPORTS SUSTAINED GROWTH DESPITE NET LOSS DUE TO FOREIGN EXCHANGE LOSSES

PT Darya-Varia Laboratoria Tbk announced today that its revenues grew 21 per cent to Rupiah 430.70 billion, largely due to volume growth. Despite a substantial increase in the cost of imported raw materials due to the Rupiah's 28 per cent devaluation, gross profit margins declined only marginally to 46 per cent from 46.6 per cent, as on-going efficiency measures offset increased input costs. Operating profit declined 3 per cent, to Rupiah 47.66 billion, due to the increased trade discounting and advertising expenses incurred in support of increased sales activity.

Despite this improvement in underlying operations, exchange losses of Rupiah 36.72 billion led to the Company recording a net loss of Rupiah 16.12 billion for the year. These exchange losses, which are largely unrealised, have arisen on US dollar payables as a consequence of the 28 per cent deterioration of the Rupiah over 2000. The unrealised loss for 2000 compares to an unrealised gain of Rupiah 15.19 billion reported in 1999 when the Rupiah strengthened 14 per cent.

In addition, the 1999 Statement of Income has been restated in compliance with the Capital Market Regulation No. 06/PM/2000 dated 13 March 2000. The regulation required the presentation of deferred expenses related to share issues as a debit to additional paid in capital. Consequently, all recorded amortizations were reversed which had the effect of increasing the Company's net income for that year to Rupiah 4.36 billion, from the previously reported figure of Rupiah 1.81 billion.

Excluding the effects of exchange, provisioning and taxes, underlying net income has increased 28 per cent to Rupiah 24.79 billion, from Rupiah 19.39 billion in 1999. Moreover, adjusting for products discontinued in 1999, revenues of on-going product lines have grown by 30 per cent.

Progress in balance sheet management continued. The Company succeeded in meeting its 100 days inventory and 43 days receivable targets during the year. However, in anticipation of factory closures during the convergence of Christian holidays and the Muslim fasting month in December 2000 and January 2001, the Company increased its inventories to 133 days at year-end and, due to the shorter collection period in December, receivables stood at 44 days.

On 30 January 2001, the Company, in order to reduce exposure to exchange rate fluctuations, obtained a one-year Rupiah 70 billion facility from ABN-Amro Bank. Approximately Rupiah 68.2 billion of the facility will be used to refinance USD 7.1 million of US dollar denominated debt, and Rupiah 1.8 billion will be used for working capital purposes. Post this refinancing, the Company still has approximately USD 5.0 million of US dollar denominated debt, the full settlement of which will be effected by year end 2002.

Philip A. Townsend, President Director and Chief Executive Officer, commented: "The 2000 results show further, sustained progress towards solid net profitability and the elimination of all debt. Unfortunately, this underlying improvement has been masked by sizeable exchange losses."

PT DARYA-VARIA LABORATORIA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999
[In thousand Rupiah, except for Earnings/(Losses) per share]

	2000 (Audited)	1999 (Audited)
NET SALES / OPERATING REVENUE	Rp 430,701,260	Rp 355,363,649
COST OF SALES	<u>(232,776,888)</u>	<u>(189,783,244)</u>
GROSS PROFIT	197,924,372	165,580,405
OPERATING EXPENSES		
Selling expenses	(99,193,889)	(66,264,791)
General and administrative expenses	<u>(51,068,165)</u>	<u>(50,141,553)</u>
	<u>(150,262,054)</u>	<u>(116,406,344)</u>
OPERATING PROFIT	47,662,318	49,174,061
OTHER (EXPENSES) / INCOME		
Interest expense - net	(14,318,240)	(17,464,921)
Foreign exchange (loss) / gain - net	(36,724,081)	15,186,013
Amortization of goodwill	(3,748,377)	(18,447,788)
Others - net	<u>(4,809,585)</u>	<u>(7,266,852)</u>
	<u>(59,600,283)</u>	<u>(27,993,548)</u>
(LOSS) / PROFIT BEFORE INCOME TAX	(11,937,965)	21,180,513
INCOME TAX EXPENSE		
Current	(3,860,731)	(4,313,260)
Deferred	<u>(323,044)</u>	<u>(12,510,777)</u>
	<u>(4,183,775)</u>	<u>(16,824,037)</u>
NET (LOSS) / INCOME	Rp <u>(16,121,740)</u>	Rp <u>4,356,476</u>
EARNINGS / (LOSSES) PER SHARE		
Operating profit per share	<u>85</u>	<u>88</u>
Net (loss) / income per share	<u>(29)</u>	<u>8</u>

PT DARYA-VARIA LABORATORIA Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31, 2000 AND 1999
[In thousand Rupiah, except for par value per share]

ASSETS

	2000		1999
	(Audited)		(Audited)
CURRENT ASSETS			
Cash and cash equivalents	Rp 14,095,242	Rp	25,266,460
Trade receivables from third parties - net	51,459,715		36,456,103
Other receivables	11,173,308		11,881,561
Inventories - net	88,024,099		71,647,175
Prepaid expenses	9,109,886		6,021,254
Prepaid taxes	12,164,926		9,208,444
Advances	4,252,420		2,329,450
Total current assets	<u>190,279,596</u>		<u>162,810,447</u>
NON-CURRENT ASSETS			
Other receivables from third parties	20,088		892,394
Deferred tax assets	30,892,787		31,215,831
Fixed assets - net	94,360,138		84,220,686
Goodwill - net	53,662,392		57,410,769
Refundable deposits	69,116		67,683
Advances to directors and employees	6,993,576		5,409,480
Total other assets	<u>185,998,097</u>		<u>179,216,843</u>
TOTAL ASSETS	Rp <u>376,277,693</u>	Rp	<u>342,027,290</u>

PT DARYA-VARIA LABORATORIA Tbk AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS AT DECEMBER 31, 2000 AND 1999
[In thousand Rupiah, except for par value per share]

LIABILITIES AND STOCKHOLDERS' EQUITY

	2000 (Audited)	1999 (Audited)
CURRENT LIABILITIES		
Trade payables		
Third parties	Rp 47,953,842	Rp 23,624,700
Related parties	9,873,177	8,999,262
Taxes payable	7,414,092	9,471,232
Accrued expenses	8,410,043	11,060,053
Other payables		
Third parties	12,780,453	7,065,808
Related parties	30,189,166	95,210,732
Current maturities - finance leases		299,551
Other payable to related party	38,600,000	
Other current liabilities	673,340	
Total current liabilities	<u>155,894,113</u>	<u>155,731,338</u>
NON-CURRENT LIABILITIES		
Other payable to related party	48,250,000	
Other non-current liabilities	1,959,368	
Total long term liability	<u>50,209,368</u>	<u>0</u>
EQUITY		
Share capital, par value Rp 500 (full Rupiah)		
Authorized - 560,000,000 shares		
Issued and fully paid - 560,000,000 shares	280,000,000	280,000,000
Additional paid-in capital - net	77,828,471	77,828,471
Fixed assets revaluation reserve	304,417	304,417
Accumulated losses	<u>(187,958,676)</u>	<u>(171,836,936)</u>
Total equity	<u>170,174,212</u>	<u>186,295,952</u>
TOTAL LIABILITIES AND EQUITY	Rp <u>376,277,693</u>	Rp <u>342,027,290</u>