

**5th August 1999**

**FIRST PACIFIC'S DARYA-VARIA SWINGS TO 1ST-H PROFIT OF IDR28 BLN**

First Pacific's Indonesian pharmaceuticals subsidiary, PT Darya-Varia Laboratoria Tbk, announced today that it recorded a net profit of IDR28.36 billion in the first half following a net loss of IDR269.26 billion a year earlier, bolstered by improved sales, steady margins and the strengthening of the rupiah.

Supported by Indonesia's improving business climate, the Company's revenue grew 42 per cent to IDR173.73 billion, amid improved sales across much of its product line.

Operating income grew 19 per cent to IDR30.12 billion, restrained by a 27 per cent rise in operating expenses to IDR50.72 billion, as the Company took advantage of the market's recovery to increase its trade discounts and advertising expenses to generate increased sales activity. Gross profit margins held largely steady at 47 per cent from 48 per cent at year end 1998.

The Company recorded an unrealized foreign exchange gain of IDR18.58 billion, following the previous year's unrealized loss of IDR272.64 billion.

Trade receivables and inventories remained under tight control, dropping 20 per cent and 29 per cent, respectively. Positive operating cash flows enabled the Company to cut its borrowings to US\$14.1 million of foreign currency from US\$30.8 million a year earlier, and to IDR5.0 billion in local currency from IDR5.5 billion.

Darya-Varia's Chief Executive Officer, Philip A. Townsend, said: "Today's results clearly demonstrate that Darya-Varia is continuing its recovery. Through hard work we have managed to increase sales sharply while keeping margins virtually unchanged. I would expect the second half to continue to show improvement, helped by growing confidence in the domestic economy.

"I am particularly pleased to note that we have today launched a new corporate identity for Darya-Varia. This clean, modern look will help unify our in-house brands and signal to the market that we are emerging from the crisis stronger and better focused than ever before."

Financial data

**PT DARYA-VARIA LABORATORIA Tbk AND SUBSIDIARIES**  
**CONSOLIDATED PROFIT AND LOSS (UNAUDITED)**  
**FOR THE SIX MONTHS PERIOD ENDED JUNE 30, 1999 AND 1998**  
(In Thousand, Except for Information on Shares)

	<u>1999</u> Rp	<u>1998</u> Rp
<b>NET SALES</b>	173,725,241	122,689,540
<b>COST OF GOODS SOLD</b>	<u>92,881,723</u>	<u>57,600,012</u>
<b>GROSS PROFIT</b>	80,843,518	65,089,528
<b>OPERATING EXPENSES</b>	<u>50,723,758</u>	<u>39,843,946</u>
<b>INCOME FROM OPERATIONS</b>	<u>30,119,760</u>	<u>25,245,582</u>
<b>OTHER INCOME (CHARGES)</b>		
Foreign exchange gains (losses)	18,581,465	(272,641,138)
Interest expenses - net	(12,037,538)	(20,071,508)
Others - net	<u>(3,971,665)</u>	<u>(3,773,015)</u>
Total Other Income (Charges) - Net	<u>2,572,262</u>	<u>(296,485,661)</u>
<b>INCOME (LOSS) BEFORE PROVISION FOR INCOME TAX</b>	32,692,022	(271,240,079)
<b>PROVISION FOR INCOME TAX</b>	<u>4,331,971</u>	<u>85,906</u>
<b>NET INCOME (LOSS) BEFORE MINORITY INTEREST IN SUBSIDIARY'S LOSS</b>	28,360,051	(271,325,985)
<b>MINORITY INTEREST IN SUBSIDIARY'S LOSS</b>	<u>-</u>	<u>2,064,313</u>
<b>NET INCOME (LOSS)</b>	<u><u>28,360,051</u></u>	<u><u>(269,261,672)</u></u>
<b>EARNINGS PER SHARE</b>		
Income From Operations	<u><u>54</u></u>	<u><u>180</u></u>
Net Income (Loss)	<u><u>51</u></u>	<u><u>(1,923)</u></u>

Note: Earnings per share is calculated based on the weighted average number of shares outstanding during the period.

**PT DARYA-VARIA LABORATORIA Tbk AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS (UNAUDITED)**  
**JUNE 30, 1999 AND 1998**  
(In Thousand, Except for Information on Shares)

<b>A S S E T S</b>	1999 Rp	1998 Rp
<b>CURRENT ASSETS</b>		
Cash and cash equivalent:	30,895,917	22,453,546
Accounts receivable		
Trade - net	43,357,953	53,951,836
Related party	-	76,876
Others	13,757	2,026,385
Subscription receivable	-	210,000,000
Inventories - net	68,900,149	97,565,198
Prepaid expenses	10,569,089	5,227,813
Advances	2,399,020	1,446,416
<b>Total Current Assets</b>	<u>156,135,885</u>	<u>392,748,070</u>
<b>PLANT, PROPERTY AND EQUIPMENT</b>		
Carrying value	117,155,386	112,328,694
Accumulated depreciator	(40,765,307)	(37,857,732)
<b>Net Book Value</b>	<u>76,390,079</u>	<u>74,470,962</u>
<b>GOODWILL - Net</b>	<u>73,334,662</u>	<u>86,382,451</u>
<b>OTHER ASSETS</b>		
Claims for tax refund	4,727,219	9,686,964
Receivable from third party	6,534,588	8,732,525
Deferred stock issuance cost	6,565,365	3,926,124
Advances to directors and employees	5,400,359	6,990,223
Security deposits	138,136	186,363
Others	-	549,278
<b>Total Other Assets</b>	<u>23,365,667</u>	<u>30,071,477</u>
<b>TOTAL ASSETS</b>	<u>329,226,293</u>	<u>583,672,960</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	1999	1998
	Rp	Rp
<b>CURRENT LIABILITIES</b>		
Bank loans	5,000,000	20,450,000
Accounts payable		
Trade	28,285,222	45,522,126
Related party	93,624,000	-
Others	-	3,328,424
Advances from customers	-	1,493,931
Accrued expenses	17,902,216	31,725,821
Taxes payable	7,270,890	3,183,594
Current maturities of long-term debts		
Bank loans	-	417,973,376
Obligations under capital lease	2,522,413	1,015,160
<b>Total Current Liabilities</b>	<u>154,604,741</u>	<u>524,692,432</u>
<b>LONG TERM DEBTS - Net of current maturities</b>		
Bank loans	-	28,284,124
Obligations under capital lease	201,111	850,585
<b>Total Long-term Debts</b>	<u>201,111</u>	<u>29,134,709</u>
<b>STOCKHOLDERS' EQUITY</b>		
Capital stock - Rp 500 par value		
Authorized - 560,000,000 shares		
Issued and fully paid - 560,000,000 shares in 1999 and 140,000,000 shares in 1998	280,000,000	70,000,000
Capital stock subscribed	-	210,000,000
Additional paid-in capital	90,500,000	90,500,000
Fixed assets revaluation reserve	304,417	304,417
Accumulated losses	(196,383,976)	(340,958,598)
<b>Total Liabilities And Stockholders' Equity</b>	<u>174,420,441</u>	<u>29,845,819</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>329,226,293</u>	<u>583,672,960</u>