

**25th February 1999**

**FIRST PACIFIC'S BERLI JUCKER REPORTS 32% RISE IN 1998 PROFIT,  
165% RISE IN FOURTH QUARTER RESULT**

First Pacific's Thai flagship, Berli Jucker Public Company Limited, announced today that consolidated net income before extraordinary items rose 32 per cent last year to THB507.4 million, helped by a 165 per cent increased in fourth-quarter profit, achieved in the face of continued challenges in its domestic operating environment.

The company's net income including extraordinary items rose 8 per cent to THB414.8 million, including a charge of THB92.6 million by Thai Glass in the second quarter to reflect the suspension of its glass factory project in Vietnam. Consolidated total revenue rose 1 per cent to THB10,891 million from 1997.

Berli Jucker's improved profitability reflects the general strength of its Packaging and Consumer Products groups, as well as its THB4 billion rights issue, which was conducted at mid-year. Proceeds from the exercise have enabled the company to reduce borrowing costs, by cutting consolidated debt by THB1.5 billion to THB2.7 billion, and to raise its holding in Thai Glass Industries, its biggest business, to 98 per cent from 66 per cent for THB1.3 billion. The remaining funds are being retained to help finance future acquisitions.

Commenting on the company's fourth quarter results, Berli Jucker's CEO, David Nicol, said: "I am pleased to note that Berli Jucker's fourth quarter performance, excluding the effect of investment disposal gains, is substantially higher than profit recorded in both the same quarter of 1997 and the third quarter of 1998. This strong performance reflects a widening in margins to 27 per cent in the fourth quarter from 24 per cent a year earlier, decreased interest expenses, and tight control over receivables and inventories."

The Consumer Products Group's profit fell 10 per cent in the fourth quarter while sales declined 13 per cent, reflecting lower domestic spending on tissue paper and related products. The Personal Care, Cosmetics & Toiletries business experienced improved sales led by the success of Parrot brand soap. Confectionery and Foods sales increased marginally, led by better sales of snack foods and wine. Margins improved slightly, supported by the strength of Zilk brand tissue paper.

The Packaging Group's profit rose 27 per cent in the fourth quarter, despite a 10 per cent fall in sales. The lower sales reflected a significant decrease in demand for

bottles for energy drinks due to the weak construction sector, whose workers are a main consumer of the product. Beer and whisky bottle production surged during the quarter on the back of continuing market share gains by Berli Jucker's major customers. Profit was supported by the company's increased investment in Thai Glass, but was somewhat damped by weakness at 50 per cent held rigid-plastic container maker Berli Prospack, which experienced sales and margin pressures in the personal care and automotive lubricant sectors.

The Technical Products Group recorded a 10-fold rise in net profit in the quarter and a 9 per cent rise in sales, assisted by the introduction of a new range of medical diagnostic machines and sharply higher sales by Thai Klinipro, Berli Jucker's joint venture which produces disposable medical gowns. The performance was also helped by steady sales and good margins from the company's Chemical Products and Medical Products activities.

The Engineering Group's losses narrowed by 47 per cent quarter on the quarter, while sales declined 28 per cent, affected by a suspension of work for seven weeks at the beginning of the quarter at Thai Scandic Steel, a manufacturer of galvanised steel towers which recorded sharp losses in the previous year. The suspension was caused by the difficulty in obtaining the required Government permits to work on steel already imported and for which duty had already been paid. Although Thai Scandic Steel recommenced work in mid December, production continued to be disrupted by lengthy delays in obtaining the necessary Government permits to proceed with work.

Commenting on Berli Jucker's prospects, Mr. Nicol concluded, "Prospects for Berli Jucker in 1999 and beyond are encouraging. We are well poised to benefit from any economic recovery in Thailand, particularly any increase in consumer spending. This year's earnings outlook is encouraging, amid a continued high output of glass packaging products, the good position enjoyed by our Consumer Products business and our focused level of service to our principals. Moreover, we have a strong Balance Sheet following the recent rights issue and have sufficient resources to expand through acquisitions that are complimentary to our existing principal lines of business and by enhancing our range of brands."

Financial data

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

(AUDITED)

(AMOUNTS IN THOUSANDS OF BAHT)

**BALANCE SHEETS AS AT DECEMBER 31**

	<u>1998</u>	<u>1997</u>
Current Assets	6,352,323	5,515,939
Total Assets	14,460,063	13,028,864
Current Liabilities	2,962,529	4,659,441
Shareholder's Equity	7,510,798	3,566,083

**STATEMENTS OF INCOME**

	Three Months Ended December 31		The Years Ended December 31	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
	Revenue on Sales	2,543,447	2,722,570	10,446,777
Share of profits less losses of associated companies	(9,799)	(8,086)	48,872	(6,052)
Total Revenues	2,616,246	2,748,656	10,890,913	10,773,971
Cost of Sales	1,856,570	2,067,091	7,871,226	7,642,145
Other Expenses	549,153	462,659	2,152,390	2,095,866
Net income before foreign exchange gain or loss	193,844	110,489	613,282	549,628
Foreign exchange (gain) / loss	(2,851)	36,426	105,884	165,168
Net income before extraordinary items	196,695	74,063	507,398	384,460
Extraordinary items				
Provision for loss on suspension of subsidiary business segment	-	-	(92,583)	-
Net income after extraordinary items	196,695	74,063	414,815	384,460
Earnings per share before extraordinary items (Baht)	1.24	1.28	4.69	6.66
Earnings per share after extraordinary items (Baht)	1.24	1.28	3.83	6.66
Number of equity shares (Share 000)	158,812.5	57,750	158,812.5	57,750