

9th March 1998

**SECONDARY OFFERING OF FIRST PACIFIC'S HAGEMEYER SHARES
BEGINS TODAY**

First Pacific Company Limited announced Monday that the Preliminary Offering Circular for the international secondary offering of its full stake in Hagemeyer N.V. was published today, coinciding with the launch of an extensive road show in the U.S., Netherlands and the rest of Europe.

The offer, which is expected to close on Thursday, 19th March when the final price will be set, is the largest private-sector secondary offering in Dutch history and among Europe's largest ever. It comprises up to 40.9 million ordinary bearer shares - including an option to the underwriters to purchase additional shares, known as a greenshoe - which represent First Pacific's entire 39.7% holding in Hagemeyer.

At Hagemeyer's closing share price on Friday of NLG 95.3, First Pacific's 40.9 million are valued at approximately NLG 3.9 billion (HK\$14.8 billion).

The global offering consists of three parts: a Dutch offering to institutional and retail investors in the Netherlands; an international offering to institutional investors outside the Netherlands, in Europe and the rest of the world (excluding the U.S. and Canada); and a private placement to qualified institutional investors in the U.S. and Canada. The joint global coordinators for the placement are ING Barings, SBC Warburg Dillon Read and UBS, while the joint bookrunners are ING Barings and SBC Warburg Dillon Read.

First Pacific's Managing Director, Manuel Pangilinan, said: "Hagemeyer has brought First Pacific a return on investment of 24 per cent a year for the last 15 years. The sale of our stake, which will result in an exceptional profit of well over US\$500 million, clearly demonstrates our commitment to create and crystallize shareholder value, and will enable us to concentrate our activities in the Asia-Pacific region. As we have stated, First Pacific intends to use the proceeds to pay down head office debt, strengthen our other businesses and acquire assets in the region which offer outstanding growth potential."

The sale of First Pacific's shares will also help Hagemeyer effect certain changes to its share structure which will make it more transparent. Under the existing structure, First Pacific has special voting rights which give it effective voting control over Hagemeyer, despite its 39.7 per cent shareholding interest in the company. On

completion of the offering, these special rights will disappear, leaving the company with a simplified share structure in which each share has one vote.

Commenting on the launch of the global offering, a spokesman for the Joint Global Co-ordinators, ING Barings, SBC Warburg Dillon Read and UBS said: "We are delighted with the positive responses from investors we have received during pre-marketing and early indications of interest are very encouraging. It is clear there is a high regard for Hagemeyer among international institutional investors".

For further information about the offering syndicate and Hagemeyer, please click to check the *Notes to Editors*.

These materials are not an offer of securities for sale into the United States. The securities may not be offered or sold in the United States unless they are registered or exempt from registration and any public offering of securities to be made in the United States will be made by means of a prospectus that will contain detailed information about Hagemeyer and its management, as well as financial statements.

Notes to Editors

I. Global Offering Syndicate

Joint Global Co-ordinators: ING Barings
SBC Warburg Dillon Read
UBS

Joint Bookrunners: ING Barings
SBC Warburg Dillon Read

International Syndicate:

Joint Lead Managers: ING Barings
SBC Warburg Dillon Read
UBS

Co Leads: ABN Amro
DMG
Merrill Lynch
NWM/BTI

Dutch Syndicate:

Joint Lead Managers: ING Barings
SBC Warburg Dillon Read
UBS

Senior Co Lead: ABN Amro

Co Leads: Rabobank
Mees Pierson
Kempen

U.S. Syndicate:

Joint Lead Managers: ING Barings
SBC Warburg Dillon Read
UBS

Senior Co Lead: Merrill Lynch

Co Managers: ABN Amro
NWM/BTI

II. About Hagemeyer

- Hagemeyer specialises in the international marketing and distribution of branded products. It has a large and diversified customer base in Europe, North and South America and the Asia-Pacific region.
- The Group was founded in 1900. Its shares have been listed on the Amsterdam Stock Exchange since 1937. In 1996 they were admitted to the AEX Index. First Pacific acquired its initial stake in the business in 1983.
- Hagemeyer has a current market capitalisation of NLG 9.8 billion and its shares count for approximately 1.4% of the AEX.
- Net turnover for the year ended 31 December 1997 was NLG 11.47 billion, an increase of 39.6% on the year ended 31 December 1996. Of this, Europe accounted for 61% of turnover, the Americas for 23% and the Asia-Pacific region for 16%. Ordinary profits before taxes increased by 32.5% to NLG 512.2 million from NLG 386.5 million for the year ending 31 December 1996. Hagemeyer has had a 10 year compound earnings per shares annual growth rate of 15%.
- The Group has two main divisions, Consumer Products and Technical Products. In 1997, the Consumer Products group represented approximately 65% of net turnover and Technical Products group represented approximately 35%.
- The Consumer Products group is divided into four sub-groups: (1) branded consumer and professional products; (2) lifestyle; (3) information technology and: (4) Ceteco, a Latin American retailer.
- The Technical Products group, as a whole, is one of the largest electrical distributors in Europe and includes Fröschl in Germany, Newey & Eyre in the UK and Ireland, and Asea Skandia in the Nordic region. These companies distribute electrical materials, including cables and accessories and lighting products.
- In 1997 Hagemeyer acquired the leading Nordic electrical wholesale and distribution company, Asea Skandia, and the leading Asia-Pacific computer hardware, software and communications distribution company, Tech Pacific.
- Hagemeyer's strategy is the active pursuit of growth – through only owning businesses which have a sound financial base and good prospects – and its principal aim is to achieve a high level of organic growth. The Group is committed to establishing, maintaining and building prominent positions in selected markets as the leading international marketing and distribution specialist. Economic and product cycles and currency fluctuations are counter-balanced by the Group's wide geographical and product mix.