

**2nd March 1998**

**FIRST PACIFIC'S BERLI JUCKER REPORTS DECLINE IN 1997 NET PROFIT**

First Pacific Company Limited's flagship in Thailand, Berli Jucker Public Company Limited, announced Monday that net income including foreign-exchange losses fell 37 per cent in 1997 to THB384.5 million, and was off 9 per cent to THB549.7 million excluding the effect of the baht's flotation.

For the fourth quarter, net income declined 49 per cent to THB74.1 million from a year earlier and was off 23 per cent excluding foreign exchange losses to THB110.5 million.

Consolidated total revenues rose 5 per cent for the year to THB10.77 billion and were up 1 per cent in the fourth quarter to THB2.76 billion from a year-earlier.

Berli Jucker's earnings per share fell 37 per cent on the year to THB6.66 and were off 49 per cent on the quarter to THB1.29.

**Commenting on the results for the fourth quarter, Dr Adul Amatavivadhana, Berli Jucker's President, said:**

"Berli Jucker's ability to maintain revenues in the fourth quarter, in the face of extremely challenging economic conditions, is testament to the quality of our management and the underlying strength of our customers and product range. It also confirms the benefit of the company's diversity through our four core business lines: Consumer Products, Technical Products, Packaging and Engineering. Net income continued to be held back by foreign exchange losses, although these were much reduced in the fourth quarter due to additional hedging, as well as lower margins, as the Group works to increase selling prices in line with rising costs.

"In the Consumer Product line, sales grew 3 per cent in the fourth quarter, reflecting lower demand amid increased duty rates and higher prices related to the weakening baht. Profit decreased 33 per cent, however, due to reduced operating margins associated with sharp increases in the price of pulp, palm oil and packaging. It is now inevitable that the company will pass along its increased costs to consumers.

"The Technical Products line recorded a 10 per cent contraction in sales due mainly to sharply reduced demand for photographic and electronic imaging equipment, caused

by duty increases and price rises related to the weaker baht, as well as the repossession of equipment sold under hire-purchase agreements. Profit declined 91 per cent due to reduced operating margins, bad debt provisions and foreign exchange losses, as the group imports most of its products.

"In the Packaging line, Thai Glass's sales rose 8 per cent due to a combination of higher prices and very strong demand for beer bottles, which more than compensated for sharply reduced demand for food containers and spirits bottles. Profit declined 15 per cent due to tighter margins and foreign exchange losses, the effects of which were partly offset by the Company's increased shareholding in Thai Glass to 65 per cent from 60 per cent. Berli Prospack, which provides rigid-plastic packaging and a majority of which was purchased in June, contributed a profit for the quarter.

"The Engineering line recorded marginally higher sales on the quarter from a year earlier, while its loss widened due to substantial foreign exchange losses at Thai-Scandic Steel and increased bad debt provisions at the company's own Engineering division and its water-projects affiliate. There was no contribution from Siemens Limited in the quarter."

**Commenting on Berli Jucker's prospects, Dr Adul said:**

"1998 will be a difficult year. While we should continue to be profitable and are clearly in much better shape than many of our competitors, it is too early to indicate whether net profit will be higher or lower than in 1997. We will benefit, however, from the fact that we have a broad range of largely essential products that are well placed within their markets and which are being sold to a broad customer base. The underlying demand for these products will continue despite the poor economy.

"We have gone through the first phase of the financial crisis relatively well, thanks to the company's conservative financial management. At this point, our immediate focus is on restoring margins that have been eroded by the baht's fall and on managing cash flow. Our medium-term focus is on using the company's strong financial base to consolidate our position in our core industries and to ensure that the company is well placed to participate in and contribute to the long-term growth of Thailand's economy," he concluded.

*Summary of Financial Position and Results of Operations*

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

(AUDITED)

(AMOUNTS IN THOUSAND OF BAHT)

**BALANCE SHEETS AS AT DECEMBER 31**

	<u>1997</u>	<u>1996</u>
Current Assets	5,515,939	5,030,391
Total Assets	13,028,864	11,472,906
Current Liabilities	4,659,441	2,929,824
Shareholder's Equity	3,566,083	3,626,219

**STATEMENTS OF INCOME**

	<b>For the Year Ended</b>	
	<b>December 31</b>	
	<u>1997</u>	<u>1996</u>
Revenue on Sales	10,615,014	10,129,394
Share of profits less losses of associated companies	(6,052)	10,988
Total Revenues	10,773,971	10,269,013
Cost of Sales	7,642,145	7,148,320
Other Expenses	2,095,865	1,951,350
Net income before foreign exchange loss	549,628	602,635
Foreign exchange loss (gain)	165,168	(7,780)
Net income	384,460	610,415
Earnings per Share (Baht)	6.66	10.57
Number of equity shares (Share 000)	57,750	57,750

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