

02 March 1998

BHI Corporation Announces Earnings For The Third Quarter. Acquisition Of Aaxis Limited Completed

Belize City, Belize, March 2, 1998 -- BHI Corporation (NASDAQ: BHIKF), a corporation operating financial and other service businesses, reported net income of \$15.0m for the nine months ended January 31, 1998, an increase of 21% over the same period last year. Earnings per share for the nine months was \$2.04, up 17% over the comparable period last year. BHI also announced that it had completed the acquisition of a controlling interest (83%) in Aaxis Limited in a share-for-share transaction. This acquisition, through ISS International Service Systems Inc. ("ISS Inc."), makes BHI one of North America's leading providers of outsourced facilities services, including cleaning, building maintenance and support services. BHI has now made an offer for the minority interests in Aaxis on comparable terms and expects to close this offer by March 31, 1998. Immediately following completion of this offer, BHI will have approximately 11.0 million BHI Ordinary Shares in issue (assuming 100% acceptances of the Offer by remaining shareholders of Aaxis).

Commenting, Mr. Steve Ruzika, BHI's Chief Executive Officer said:

"With the acquisition of Aaxis, BHI has become a leader in the highly fragmented outsourced facility services market in North America. We see exciting opportunities to increase our business through a combination of internal growth and acquisitions. The combined company has strong recurring revenues and cash flow which will serve as a platform for our strategy which we believe will significantly enhance shareholder value."

Commenting on the third quarter results, Mr. Ruzika, added:

"BHI's existing businesses experienced satisfactory growth during the nine month period. We are also pleased with the performance of BHI's equity investments which continues to be up to expectations."

Financial Services

Financial services, with income before taxes at \$7.1m, up 18% for the nine months ended January 31, 1998, achieved continued growth in both lending and non-interest income. Net interest income was up 8% driven by strong growth in the average lending portfolio, partly offset by lower margins. Non-interest income was up 30% due principally to further gains in the international financial services sector. Company and ship registration services maintained high growth rates with a 31% gain in total revenue for the nine months ended January 31, 1998. The number of companies and ships registered to date is approximately 6600 and 3200 respectively.

Equity Investments

BHI's equity in the net income of associated companies amounted to \$7.2m for the nine months ended January 31, 1998, up 4% over the comparable period last year. This result includes a \$2.3m contribution from Belize Telecommunications Limited, up 5% against the prior year and a \$5.7m contribution from NUMAR, the fully integrated edible oil processor and distributor in Costa Rica, up 13% against the prior year with continued gains in export

sales of palm oil and seeds and reduced finance charges as a result of debt reduction.

Other Income

Other income at \$0.8m for the nine months ended January 31, 1998 compared to a loss of \$0.3m for the same period last year, includes the results of BHI's construction and civil engineering operations and hotel operations, both of which performed to expectations.

BHI owns and operates selected services businesses in Central America and with the completion of the acquisition of Aaxis Limited, is a leader in the outsourced facilities services sector in North America. BHI prepares its financial statements in US dollars and according to US GAAP.

FORWARD LOOKING STATEMENT

Certain statements in this press release constitute "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. In particular, statements contained herein regarding expectations with respect to future revenue and business expansion, are subject to known and unknown risks, uncertainties and contingencies, many of which are beyond the control of BHI, which may cause actual results, performance or achievements to differ materially from anticipated results, including, among others, overall economic and business conditions, the demand for BHI's services, competitive factors, regulatory approvals and the uncertainty of consummation of future acquisitions. Additional factors which may affect BHI's business and performance are set forth in BHI's filings with the Securities and Exchange Commission.

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Note:

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Unaudited Consolidated Statement of Income

US dollars in millions

Nine months ended January 31	1998	1997
Financial Services		
Interest income:		
Interest and fees on loans	15.5	13.5
Interest on deposits with banks	1.2	0.2
Interest on Government of Belize securities	-	0.2
Interest on other securities	-	0.4
Total Interest income	16.7	15.0

Interest expense:		
Interest on deposits	(6.8)	(5.8)
Interest on short-term debt	(0.2)	(0.1)
Intercompany interest	(0.1)	(0.1)
Total interest expense	(7.1)	(6.0)
Net interest income	9.6	9.0
Provision for loan losses	(0.1)	(0.4)
Net interest income after provision for loan losses	9.5	8.6
Non-interest income	3.9	3.0
Non-interest expense:		
Salaries and benefits	(2.8)	(2.7)
Premises and equipment	(1.2)	(0.9)
Other non-interest expenses	(2.3)	(2.0)
Total non-interest expenses	(6.3)	(5.6)
Total - Financial Services	7.1	6.0
Elimination of intercompany interest	0.1	0.1
	7.2	6.1
Equity in net income of associated companies	7.2	7.0
Other income	0.8	(0.3)
Other interest income	0.1	0.2
Other interest expense	(0.3)	(0.6)
Income from operations before income taxes	15.0	12.4
Income taxes	-	-
Net income	15.0	12.4
Earnings per ordinary share	\$2.04	\$1.75

Unaudited Consolidated Balance Sheets

US dollars in millions

	January 31, 1998	April 30, 1997
Assets		
Cash and cash equivalents and due from banks	22.3	14.3
Interest bearing deposits	24.4	28.6
Loans (net of unearned income)	119.7	108.2
Less: Allowance for loan losses	(1.7)	(1.9)
Premises and equipment	23.4	22.5
Equity investments	60.9	55.2
Goodwill and other intangibles - net	0.7	0.8
Other assets	22.4	19.5
Total Assets	272.1	247.2

Liabilities and Shareholders' Equity

Deposits		
-Demand	31.5	29.1
-Savings	27.1	28.2
-Certificates of deposit	85.3	82.2
Total deposits	143.9	139.5
Short-term debt	9.3	7.2
Other liabilities	11.2	9.4
Long-term debt	0.5	0.6
Total liabilities	164.9	156.7
Shareholders' Equity		
Share capital	0.1	0.1
Additional paid-in capital	50.6	47.3
Retained earnings	59.5	46.1
Treasury shares, at cost	(2.8)	(2.8)
Translation adjustment	(0.2)	(0.2)
Total shareholders' Equity	107.2	90.5
Total liabilities and Shareholders' Equity	272.1	247.2

Unaudited Consolidated Statements of Shareholders' Equity

US dollars in millions

Nine months ended January 31	1998	1997
Balance, May 1	90.5	71.1
Net income	15.0	12.4
Shares issued	1.8	-
Sale of treasury shares	0.1	2.0
Cash dividend paid	(0.2)	(0.1)
Balance, January 31	107.2	85.4

Unaudited Consolidated Statement of Cash Flows

US dollars in millions

Nine months ended January 31	1998	1997
Cash Flows from Operating Activities		
Net income	15.0	12.4
Adjustment to reconcile net income to net cash provided by operating activities		
Provision for loan losses	0.2	0.4
Depreciation on premises and equipment	1.5	1.2
Gain on sale of equity investments	(1.8)	-
Undistributed earnings of associates	(5.5)	(5.5)
Change in assets and liabilities net of effect from		

purchase of businesses		
Increase (decrease) in other assets	(2.7)	4.9
Increase (decrease) in accrued expenses and other liabilities	1.7	(7.9)
Net cash provided by operating activities	8.4	5.5
Cash Flows from Investing Activities		
Decrease in interest-bearing deposits with correspondent banks	4.3	1.5
Decrease in government securities	-	10.4
Increase in loans to customers	(12.0)	(16.2)
Purchase of premises and equipment	(2.5)	(2.0)
Disposal of premises and equipment	0.1	0.1
Purchase of investments in associated companies	(1.3)	(2.0)
Sale of other investments	4.5	0.5
Purchase of other investments	(1.6)	(0.1)
Purchase of minority interest	-	(1.5)
Payments for businesses purchased (net of cash acquired)	-	(1.3)
Net cash used by investing activities	(8.5)	(10.6)
Cash Flows from Financing Activities		
Increase in demand, savings and certificate of deposits	(4.3)	(0.2)
Sale of treasury shares	0.1	1.9
Net increase in short-term loans	2.1	4.0
Ordinary shares issued on exercise of options	1.8	-
Cash dividend paid out on Ordinary shares	(0.2)	(0.1)
Net cash provided by financing activities	8.1	6.0
Net Change in Cash, Cash Equivalents and Due from Banks	8.0	0.9
Cash, cash equivalent and due from banks at beginning of period	14.3	14.5
Cash, cash equivalent and due from banks at end of period	22.3	15.4
Supplemental disclosure of cash flows information		
Cash paid for interest	0.3	0.6
Cash paid for taxes	-	-