

## **19 June 1998**

### **BHI Corporation Announces Earnings Per Share Of \$2.75 For Fiscal Year 1998**

Belize City, Belize, June 19, 1998 -- BHI Corporation ("BHI") (NASDAQ: BHIKF), a leader in the outsourced facilities services market in North America, reported revenues of \$778.9 million and an adjusted net income of \$30.5 million before non-recurring items of \$34.8 million for the year ended April 30, 1998. Diluted earnings per share (before non-recurring items) for the year ended April 30, 1998 was \$2.75 per share.

BHI completed the acquisition of 100% of Aaxis Limited ("Aaxis") in April 1998 and as a result owns ISS International Service System, Inc., ("ISS") one of North America's leading providers of outsourced facilities services, including cleaning, maintenance and support services.

The acquisition of Aaxis has been accounted for using the "as if" pooling of interests method of accounting due to the existence of a common controlling shareholder in both BHI and Aaxis. This method of pooling of interests requires that the consolidated financial statements of Aaxis be pooled with those of BHI for all accounting periods, with a minority interest elimination for all periods where a non-controlling minority interest existed in the share capital of Aaxis. Consequently, the consolidated income statement of BHI for the year ended April 30, 1988 includes 100% of the results of Aaxis for the entire period.

As a result of the acquisition of Aaxis and the planned expansion of the building maintenance and facilities services business, BHI has decided to discontinue and dispose of certain businesses and investments outside financial services as soon as practicable. In addition, following the acquisition of Aaxis, the Company incurred significant restructuring charges at the corporate BHI and Aaxis level covering office closures, significant employee redundancy costs and costs associated with changing the name and brand identity of the ISS business operation, which is to be implemented by mid-1999. As a consequence, the Company incurred non-recurring charges and costs for discontinued activities amounting to \$33.3 million in the fourth quarter of fiscal 1998.

Commenting on the results, BHI's CEO, Steve Ruzika said:

"Fiscal 1998 was a year of transition for BHI and we are now firmly focused on the large and growing facilities services sector. The ISS business gives us a strong platform for profitable growth and we have a talented and experienced management team in place. We see considerable opportunities for revenue and margin growth in the year ahead and will pursue selected acquisitions that can be integrated into existing operations."

"BHI's financial services business continues to expand and had a very good year. We are also satisfied with the performance of BHI's principal equity investments which are meeting our targets. Certain of the Central American and Caribbean businesses will be sold at the earliest opportunity."

Facilities Services

ISS achieved net sales of \$778.9 million for the twelve months ended April 30, 1998.

Approximately 80% of ISS's business is in the janitorial and cleaning segment, which remains very competitive in light of the consolidation of commercial real estate ownership by REITs and tight labor markets nationwide. Margins improved only slightly during the period, but are expected to increase over the next 12 months as the effects of new initiatives by management take effect.

Major successes during the year include the appointment of ISS as janitorial contractor for: Du Pont on a nationwide basis; substantially all of the Saks Holdings premises; Tufts University; and for several key office buildings including the Met Life building and One Dag Hammarskjold Plaza in New York. ISS also won a five-year contract renewal to service Hewlett Packard. ISS is also experiencing good growth in such non-janitorial sectors as landscape services, aviation services and pest control.

Priorities for the coming year include retaining existing contracts which go out to competitive bid; improved penetration of existing accounts with a broader range of services; and aggressive pursuit of selected acquisitions in attractive, growing markets that can be integrated into existing platform operations. ISS continues to rationalize its vendors and expects to improve margins through continued efficiencies and improved customer service, using call centers and enhanced information technology.

#### Financial Services

Income from Financial Services increased 17% to \$9.3 million. This reflects a 17% increase in average lending at The Belize Bank, offset by a reduced net interest margin, resulting in an 8% increase in net interest income. Non-interest income enjoyed strong growth and was up 26% compared to the prior year, reflecting increased fee income and an excellent year in the international financial services sector.

Successes in international financial services included the incorporation of over 800 international business companies, an increase of 125% over the prior year. Belize International Services Limited also performed well: the numbers of companies and ships registered increased to 7,276 and 2,542, respectively, at April 30, 1998, representing increases of 39% and 37% compared to the prior year.

#### Equity Investments

BHI's principal equity investments include 23% of the NUMAR group, which has interests in agro-processing and distribution and 26% of Belize Telecommunications Limited. These two investments continue to show a strong performance.

BHI Corporation is a leader in the outsourced facilities services sector in the United States and has investments in Central America, including a significant financial services operation based in Belize. BHI prepares its consolidated financial statements in US dollars and in accordance with US GAAP.

BHI Management will be presenting at the Wall Street Forum Conference on Monday June 22, 1998 at The New York Marriott East Side. Interested investors who cannot attend the conference can listen in real time on the internet by registering with The Forum's web site at

<http://www.wallstreetforum.com> before 5.00 pm on Friday June 19, 1998 where they will receive instructions on how to register for next Monday's presentation. Investors who register will receive an e-mail from The Forum with approval to participate if they are from the investment community. This presentation can also be accessed up to 90 days after the meeting on The Forum's web site.

#### 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, earnings 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 United States Securities and Exchange Commission.

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Note: This and other press releases are available through Company News On-Call by fax; call 800-758-5804, extension 114380, or at <http://www.prnewswire.com/>

BHI Corporation  
**Consolidated Statement of Income**  
US dollars in millions

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#### **Year ended April 30, 1998**

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#### **Non-Financial Services**

Net Sales	778.9
Cost of Sales	(686.7)
Selling, general and administrative expenses	(76.5)
Operating income - Non-Financial Services	15.7

#### **Financial Services:**

Interest income	22.3
Interest expense	(9.5)
Non interest income less expenses	(3.5)
Operating income - Financial Services	9.3

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Operating income before restructuring and non-recurring charges	25.0
Restructuring and non-recurring charges	(18.8)

Interest income	1.6
Interest expense	(5.5)
Associates	10.1
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Income before income taxes	12.4
Income taxes	(1.5)
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Income after income taxes	10.9
Minority interests	(0.7)
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Income from continuing operations	10.2
Loss from discontinued operations	14.5
Net Loss	(4.3)
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Basic net loss per ordinary share	(\$0.49)
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Diluted earnings per share before non-recurring items (see note)	\$2.75
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Note: Based on 11.1 million shares and adjusted net income of \$30.5 million before non-recurring charges of \$18.8 million, discontinued operations of \$14.5 million and other items of \$1.5 million.

BHI Corporation  
**Consolidated Balance Sheet**  
US dollars in millions

**April 30, 1998**

<b>Assets</b>	
<b>Non-Financial Services</b>	
Current Assets:	
Cash and cash equivalents	44.4
Trade accounts receivable	88.2
Inventories	2.2
Assets held for disposal	15.7
Other current assets	9.7
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Total Non-Financial Services current assets	160.2
Premises and equipment	16.4
Associates	54.8
Goodwill and other intangibles	114.5
Other long-term assets	2.3
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Total Non-Financial Services assets	348.2
<b>Financial Services</b>	
Cash, cash equivalents and due from banks	14.1
Interest-bearing deposits with correspondent banks	27.1
Loans (net of unearned income and allowance for loan losses)	116.4
Other assets	8.2
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Total Financial Services assets	165.8

<b>Total Assets</b>	514.0
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BHI Corporation  
**Consolidated Balance Sheet**

US dollars in millions  
**April 30, 1998**

<b>Liabilities and shareholders' equity</b>	
<b>Non-Financial Services operations</b>	
Current liabilities:	
Short-term debt	15.8 <>
Accounts payable	7.4
Accrued personnel costs	24.8
Insurance reserves - current portion	28.7
Other current liabilities	36.8
Total Non-Financial Services current liabilities	113.5
Insurance reserves - long-term portion	86.4
Other long-term liabilities	21.7
Total Non-Financial Services liabilities	221.6
<b>Financial Services</b>	
Deposits	145.2
Short-term debt	5.2
Other liabilities	2.2
Total Financial Services liabilities	152.6
Total liabilities	374.2
Total shareholders' equity	139.8
<b>Total liabilities and shareholders' equity</b>	<b>514.0</b>

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