

**09 September 1998**

**BHI Corporation Announces First Quarter Earnings Per Share Of \$.0.71 – Slightly Ahead Of Expectations**

Disposal Of Discontinued Businesses Agreed

Belize City, Belize, September 9, 1998 – BHI Corporation (NASDAQ: BHIKF), a leader in the outsourced facilities services sector in North America, reported revenues of \$191.1m and net income from continuing operations of \$8.2m for the three months ended July 31, 1998. Diluted earnings per share for the quarter was \$0.71 which is slightly ahead of analysts' expectations and to date on track for the current fiscal year market expectations. At today's closing price of \$26 1/2 BHI is trading at a PE of 8.3 times current fiscal year EPS market expectations.

BHI also announced that it has agreed to sell all of its discontinued operations for \$15.6m, which represents net asset value, to an investor group led by Allan Forrest who has been managing BHI's non-financial businesses in Central America. Businesses that are included in the sale are Johnston International Limited, Hadsphaltic International Limited, Leeward Limited, Bearwood Corporate Services Limited, Belize Aggregates Limited and Belize Leisure Limited (owner of the Radisson Fort George Hotel in Belize City). Other discontinued assets being sold include Belize Food Holdings Limited (26.7%), Great Belize Productions Limited (36.2%) and Energia Global International, Ltd. (19.5%). This transaction is expected to be marginally accretive to earnings per share.

During the quarter, the Company entered into an agreement with ADT Security Services to become an authorized dealer for ADT, added several small lock-on acquisitions to its building maintenance business and also acquired a fully staffed customer call center.

Commenting on the results, BHI's Chief Executive Officer, Michael A. Ashcroft, said,

"BHI took several steps during the first full quarter of its ownership of the facilities services division to improve the efficiency of the operations. This included creating a flatter organization, with support services centralized in Atlanta, to reduce overheads and the acquisition of a customer call center to make BHI the first commercial cleaning company to introduce technology to the industry to improve customer service. This kind of competitive advantage will help make our ISS division the facilities services provider of choice."

Mr. Ashcroft added,

"We have agreed to sell our non-core businesses and continue to actively evaluate acquisition possibilities in the facilities services industry. BHI's financial services business had a strong first quarter and BHI's remaining equity investments continue to meet performance targets."

Facilities Services

BHI's Facilities Services division achieved revenues of \$191.1m for the three months ended July 31, 1998. There was a slight decline in sales compared to the prior year reflecting the sale of some small non-core businesses and the discontinuance of unprofitable accounts. Operating margin reflects the early-stage benefits of a back office rationalization program, including an initiative to standardize and centralize purchasing operations. The improvement in operating margin is expected to continue over the next several quarters as management

implements further efficiency improvements and focuses on marketing higher margin services.

Acquisitions to date include: (i) Commercial Maintenance Organization; (ii) Key Services; (iii) Southwestern Building Maintenance; (iv) Sunshine Building Maintenance; and (v) Systematic Way. These companies, in aggregate, are expected to add approximately \$10m to facilities services revenues. The acquisitions are in areas where ISS has existing facilities services operations and are expected to be accretive to earnings per share in the second quarter. ISS has established an integration program designed to preserve revenues of companies acquired during the transition phase, as well as to realize cost savings as quickly as possible.

One of the companies acquired is a call center operation in Florida that currently provides one-stop, 24-hour facilities services support to such clients as Republic Security Bank of Florida, Southeast Centers malls, and selected locations for Tandy and RadioShack in the U.S. The call center is the first stage of a program to use technology to improve efficiency and customer service, using state-of-the-art software to receive calls, dispatch service through ISS branches and provide effective follow-up. After an initial period serving existing and new Florida customers, it is expected that ISS will offer call center services nationwide by mid-1999.

As part of the strategy of offering a variety of facilities services to existing and potential customers, BHI added security services to the mix during the first quarter. In June, BHI signed an agreement with ADT Security Services to sell and install security services while ADT will provide the monitoring service. "BHI Security Services" began marketing to residential and small commercial customers in the Northeast in late July, with sales teams operating from existing ISS office locations. The goal for 1999 is to have security services sales teams in place to cover the entire East Coast, which has the heaviest concentration of ISS customers.

To further streamline operations, ISS field operations have been organized into two major regions: the Northeast and the Southern/Western regions, which have been combined. All finance, accounting and information services are now being managed from ISS headquarters in Atlanta. These realignments will both eliminate duplication of back office functions and let field office managers focus on customer retention and new business.

ISS continues to win new business and signed up several multi-year contracts for janitorial/cleaning services during the quarter. New accounts include Crestar Bank's headquarters and 80 branches in Washington D.C., Champion International's offices in Stamford, CT; Federal Reserve Bank buildings in Cincinnati, Cleveland and Pittsburgh; nine Macy's stores on Long Island, NY; and twenty eight Saks Fifth Avenue stores.

#### Financial Services

Income from Financial Services increased 30% to \$2.6m (1997 - \$2.0m) for the three months ended July 31, 1998. This reflects an 8% increase in the average loan portfolio at The Belize Bank, combined with an increased net interest margin, resulting in a 12% increase in net interest income. Non-interest income enjoyed strong growth and was up 38% compared to the prior year, reflecting continued growth at The Bank as well as an excellent quarter in International Financial Services.

Successes in International Financial Services included the incorporation of over 400 international business companies, an increase of 526% over the prior year. Belize

International Services Limited continued its strong growth with 751 companies and over 300 ships registered during the first quarter, representing increases of 126% and 36%, respectively, over the same period last year.

#### Equity Investments

BHI's principal equity investments are 23% of the NUMAR Group, which has interests in agro-processing and distribution, and 26% of Belize Telecommunications Limited. These two investments continue to perform up to expectations.

BHI Corporation is a leader in the outsourced facilities services sector in North America and owns and operates a financial services business in Central America. BHI prepares its financial statements in US dollars and according to U.S. GAAP.

There will be a conference call with management tomorrow, Thursday, September 10, at 10 am Eastern Standard time. To participate, please call 1 800 370 0898 and ask for the BHI Corporation conference call.

#### 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: 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

**Financial Information**  
**Consolidated Statement of Income**  
US dollars in millions

<b>Quarter ended July 31</b>	<b>1998</b>
<b>Non-Financial Services</b>	
Net Sales	191.1
Cost of Sales	(168.0)
Selling, general and administrative expenses	(19.3)
Operating income - Non-Financial Services	3.8
<b>Financial Services:</b>	
Interest income	5.7
Interest expense	(2.3)
Non interest income less expenses	(0.8)
Operating income - Financial Services	2.6
Total operating income	6.4
Interest income	0.5
Interest expense	(0.9)
Associates	2.9
Income before income taxes	8.9
Income taxes	(0.5)
Income after income taxes	8.4
Minority interests	(0.2)
Income from continuing operations	8.2
Income from discontinued operations	0.1
Net income	8.3
Diluted earnings from continuing operations per share	\$0.71

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

	July 31, 1998	April 30, 1998
<b>Assets</b>		
<b>Non-Financial Services</b>		
Current Assets:		
Cash and cash equivalents	43.9	44.4 <>
Trade accounts receivable	84.3	85.7
Inventories	2.2	2.2
Assets held for disposal	13.0	12.9
Other current assets	11.4	12.2
Total Non-Financial Services current assets	154.8	157.4
Premises and equipment	16.4	16.4 <>
Associates	59.0	57.6
Goodwill and other intangibles	113.9	114.5
Other long-term assets	2.3	2.3

Total Non-Financial Services assets	346.4	348.2
<b>Financial Services</b>		
Cash, cash equivalents and due from banks	14.2	14.1
Interest-bearing deposits with correspondent banks	27.5	27.1
Loans (net of unearned income and allowance for loan losses)	118.8	116.4
Other assets	10.4	8.2
Total Financial Services assets	170.9	165.8
<b>Total Assets</b>	517.3	514.0

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

July 31, April 30,  
1998 1998

<b>Liabilities and shareholders' equity</b>		
<b>Non-Financial Services</b>		
Current liabilities:		
Short-term debt	11.3	15.8
Accounts payable	7.8	7.4
Accrued personnel costs	26.0	24.8
Insurance reserves - current portion	23.6	28.7
Other current liabilities	27.7	34.4
Total Non-Financial Services current liabilities	96.4	111.1
Insurance reserves - long-term portion	86.4	86.4 <>
Other long-term liabilities	24.4	24.2
Total Non-Financial Services liabilities	207.2	221.7
<b>Financial Services</b>		
Deposits	152.7	145.2
Short-term debt	5.4	5.2
Other liabilities	2.4	2.1
Total Financial Services liabilities	160.5	152.5
Total liabilities	367.7	374.2
Total shareholders' equity	149.6	139.8
<b>Total liabilities and shareholders' equity</b>	517.3	514.0

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