

08 December 1998

BHI Corporation Announces Second Quarter Earnings Per Share Of \$0.73

Operating Margin Improves

Belize City, Belize, December 8, 1998 -- BHI Corporation (NASDAQ: BHIKF), a leader in the outsourced facilities services sector in North America, reported revenue of \$192.4m and net income from continuing operations of \$8.1m for the three months ended October 31, 1998. Diluted earnings per share for the quarter was \$0.73 (\$0.78 before the hurricane charge). Revenue and net income from continuing operations for the six months ended October 31, 1998, were \$383.5m and \$16.4m respectively. Diluted earnings per share for the six months was \$1.44 (\$1.49 before the hurricane charge).

Highlights of the second quarter included a 18.4% improvement in Facilities Services operating income over 1997 driven mainly by streamlining of the purchasing process; the initial impact of centralization in the accounting, finance and IT functions; and a continued focus on eliminating or renegotiating unprofitable accounts. The operating margin rose to 2.3% in the second quarter compared to 2.0% in the first.

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

"Efficiency programs put in place earlier this year are beginning to have a positive impact on operating results. Plans to grow the ISS business both organically and through strategic acquisitions are on track and the integration program for acquisitions is also working well to protect the revenue acquired and quickly take advantage of synergies. We have a strong management team in place and believe ISS is well on its way to meeting all operating goals for the current fiscal year."

Mr. Ashcroft added:

"BHI narrowed its focus considerably during the first half and the transaction to dispose of our non-core businesses and investments in Central America is expected to close in the New Year. Financial services continues to perform very well. Belize suffered minor damage as a result of hurricane Mitch and the financial effect on BHI has reduced net income by approximately \$0.5m, or \$0.05 per share, in the current quarter. A further provision of \$0.5m is expected to be made in the third quarter."

Facilities Services

ISS's Facilities Services division achieved revenue of \$192.4m for the three months ended October 31, 1998 (1997 - \$196.2m), bringing revenue for the first six months to \$383.5m. The slight decline in sales compared to the prior year reflects the ongoing discontinuance of unprofitable accounts. Improvements in both the gross margin and the operating margin reflect management's continued efforts to successfully renegotiate accounts and to centralize the purchasing function to benefit from economies of scale in major vendor relationships. As of November, the new centralized finance and accounting department was operating in Atlanta and is expected to generate additional cost savings in future quarters.

ISS continues to win new business as a result of its reputation for high-quality service and competitive prices. Important new accounts during the quarter included contracts to provide janitorial/cleaning services to several major corporations including Union Carbide, Crestar

Bank, Southwest Airlines and the Federal Reserve Bank in Cleveland, Ohio.

The ISS call center is in full operation and is handling all after-hours service calls from branches nationwide. This provides both a higher level of customer service and more efficient record keeping. The call center is also making customer satisfaction calls to all new customers of BHI Security Services. BHI is currently offering security services in the northeast region and will expand to the Mid-Atlantic region in the next 90 days.

In November, ISS completed the acquisition of six facilities services companies that are expected to add approximately \$48 million in revenue and 900 new customers. This brings the total number of acquisitions in the first half to eleven, with a total expected revenue contribution in the next twelve months of approximately \$60 million. All acquisitions are expected to be fully integrated into current operations by December 1998. Management continues to seek out well-positioned companies that will help BHI capture market share, provide cross-selling opportunities to existing customers and improve margins.

Financial Services

Income from Financial Services increased 22% to \$2.8m for the three months ended October 31, 1998 (1997 - \$2.3m).

Income from Financial Services for the six months ended October 31, 1998 increased 26% to \$5.4m (1997 - \$4.3m). The results for the six months reflect a 13% increase in net interest income, driven by a 9% increase in the average loan portfolio of the Belize Bank combined with an increase in the net interest margin. Non-interest income continued to grow strongly and was up 31%, mainly reflecting growth in International Financial Services.

As part of the strong growth in International Financial Services, the number of international business companies formed increased 328% in the first half compared to the prior year. Belize International Services Limited continued its strong performance. In the six months ended October 31, 1998, 1,468 companies and 473 ships were registered, representing increases of 97% and 11%, respectively, over the prior year period. As of October 31, 1998, there were 8,744 companies and 3,951 ships registered.

Equity Investments

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

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 US GAAP.

There will be a conference call with management today, Tuesday, December 8, at 11.30 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
Summarized Consolidated Statements of Income
(unaudited)
 US dollars in millions except per share data

	3 months to October 31, 1998	6 months to October 31, 1998
Non-Financial Services		
Net Sales	192.4	383.5
Cost of Sales	(167.6)	(335.0)
Selling, general and administrative expenses	(20.3)	(40.2)
Operating income - Non-Financial Services	4.5	8.3
Financial Services:		
Interest income	6.1	11.8
Interest expense	(2.3)	(4.6)
Non interest income less expenses	(1.0)	(1.8)
Operating income - Financial Services	2.8	5.4
Total operating income	7.3	13.7
Associates	2.5	5.4
Hurricane reserve	(0.5)	(0.5)
Interest income	0.5	1.0
Interest expense	(0.9)	(1.8)
Income before income taxes	8.9	17.8

Income taxes	(0.6)	(1.1)
Income after income taxes	8.3	16.7
Minority interests	(0.2)	(0.4)
Income from continuing operations	8.1	16.3
Income from discontinued operations	-	0.1
Net income	8.1	16.4
Diluted earnings from continuing operations per share	\$0.73	\$1.44

BHI Corporation
Financial Information
Consolidated Balance Sheets (unaudited)
US dollars in millions

	October 31, 1998	April 30, 1998
Assets		
Non-Financial Services		
Current assets:		
Cash and cash equivalents	29.9	44.4
Trade accounts receivable	92.7	85.7
Inventories	2.2	2.2
Assets held for disposal	12.2	12.9
Other current assets	14.1	12.2
Total Non-Financial Services current assets	151.1	157.4
Premises and equipment	13.4	16.4 <
Associates	60.6	57.6
Goodwill and other intangibles	124.3	114.5
Other long-term assets	14.1	12.2
Total Non-Financial Services assets	351.4	348.2
Financial Services		
Cash, cash equivalents and due from banks	16.2	14.1
Interest-bearing deposits with correspondent banks	25.1	27.1
Loans (net of unearned income and allowance for loan losses)	127.0	116.4
Other assets	11.6	8.2
Total Financial Services assets	179.9	165.8
Total Assets	531.3	514.0

Summarized Balance Sheet (unaudited)

US dollars in millions

	October 31, 1998	April 30, 1998
Liabilities and shareholders' equity		
Non-Financial Services		
Current liabilities:		
Short-term debt	20.3	15.8
Accounts payable	3.3	7.4
Accrued personnel costs	26.2	24.8
Insurance reserves - current portion	25.7	28.7
Other current liabilities	25.2	34.4
Total Non-Financial Services current liabilities	100.7	111.1
Insurance reserves - long-term portion	82.3	86.4 <>
Other long-term liabilities	25.7	24.2
Total Non-Financial Services liabilities	208.7	221.7
Financial Services		
Deposits	157.7	145.2
Short-term debt	5.2	5.2
Other liabilities	2.6	2.1
Total Financial Services liabilities	165.5	152.5
Total liabilities	374.2	374.2
Total shareholders' equity	157.1	139.8
Total liabilities and shareholders' equity	531.3	514.0

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