

**4 October 2004
NEWS RELEASE**



Pacifica Group Limited
ACN 006 530 641

264 East Boundary Road
East Bentleigh Victoria 3165 Australia
Telephone (613) 9575 2222
Facsimile (613) 9575 2411
<http://www.Pacifica.com.au>
Pacifica_enquiries@Pacifica.com.au

LIONWELD KENNEDY REQUESTS APPOINTMENT OF RECEIVER

Pacifica Group Limited today announced that it would incur a financial loss as a result of the UK manufacturer, Lionweld Kennedy, requesting the appointment of a receiver to its operation.

Lionweld Kennedy was part of Pacifica's former Construction Products Division and was divested by Pacifica in July 2002, by way of a management buy-out. To facilitate the divestment, Pacifica agreed to guarantee up to a maximum amount of £2.9 million of the monies provided by a UK Bank to fund the buy-out. This amount has previously been treated as a contingent liability in Pacifica's accounts.

Lionweld Kennedy's cash flow position has rapidly deteriorated, owing to substantial increases in steel prices, the unavailability of creditor insurance and the existence of some low margin fixed price contracts.

Following the request for the appointment of a receiver, the Bank has exercised its right to call on the guarantee and Pacifica will in turn immediately register a claim on the business. At this time the maximum amount (\$7.3 million) will be treated as a significant item in the 2004 accounts of the Company.

For further information:

Tony Clarke
Finance Director
Pacifica Group Limited
Tel. (03) 9575 2366

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