

**2 November 2006
NEWS RELEASE**

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PACIFICA ADVISES SHAREHOLDERS TO TAKE NO ACTION IN RELATION TO BOSCH'S OFFER

On 18 October, the Bosch Group (**Bosch**) announced its intention to make an unsolicited takeover offer of \$1.92 cash per share for Pacifica Group Limited (**Pacifica**).

In the next two weeks shareholders will receive a bidder's statement from Bosch which will contain the formal offer. Approximately two weeks later shareholders will receive a target's statement from Pacifica, which will contain a formal recommendation in relation to Bosch's offer from Pacifica's Board of Directors.

Shareholders will receive the target's statement in sufficient time to make an informed decision as to whether to accept the offer and in the meantime are advised to take no action in relation to Bosch's offer.

Bosch has not included some information in its bidder's statement which Pacifica's Board of Directors believes should be disclosed. This includes the fact that Bosch, following extensive due diligence on Pacifica, made a conditional, non-binding and final proposal on 30 June 2006, to acquire Pacifica for \$2.40 per share by way of a scheme of arrangement. In late July 2006, Pacifica terminated discussions with Bosch after reaching the conclusion that the proposal did not represent an adequate control premium for Pacifica at that time.

As part of the extensive due diligence which Bosch conducted on Pacifica, Bosch had ample opportunity to quantify the synergies it expects would be realised if it acquired Pacifica. Pacifica has a world class reputation for innovative design and leading manufacturing capabilities with a manufacturing footprint across North America, Australia, Italy, China, Malaysia, and Thailand. Worldwide, Pacifica currently manufactures more aluminium light weight brake calipers and more drum brakes than Bosch. If Bosch acquired Pacifica, it is expected that Bosch would become the largest manufacturer of calipers and park brakes in North America, drum brakes in Europe and foundation brakes in Australia with access to low cost manufacturing facilities and significant opportunities to extract synergies through more efficient utilisation of manufacturing facilities, sales and marketing efforts and coordination of research and design capabilities.

In its bidder's statement Bosch has threatened, if their offer is unsuccessful, to consider seeking alternative supply sources for products which Bosch currently purchase from Pacifica. However, Bosch has not disclosed that it is required to purchase products from Pacifica to meet existing obligations to its customers, including DaimlerChrysler, Ford

and General Motors. Pacifica owns the designs of many of its products which means Bosch cannot replicate them without Pacifica's consent and Pacifica believes it would take a considerable period of time for Bosch to be able to find alternative sources of supply for some products and obtain customer approval.

In its bidder's statement Bosch described its offer as providing an opportunity to realise a certain, brokerage-free cash outcome. It is important to note that Bosch's offer is subject to a number of conditions and it is unclear if or when these conditions will be satisfied or waived. If shareholders accept Bosch's conditional offer, they may not be able to sell or otherwise deal with their Pacifica shares.

Pacifica will keep its shareholders fully informed of further developments.

Released by:

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