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NEWS RELEASE**

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PACIFICA REPORTS 2006 FULL YEAR RESULT IN LINE WITH TARGET'S STATEMENT FORECAST

Pacifica Group Limited today announced a net profit of \$15.2 million after significant items for the year ended 31 December 2006. This is in line with the forecast contained in the company's Target's Statement, after allowance for costs associated with the Bosch offer.

In summary, the year to 31 December 2006 included:

- Sales of \$838.5 million, an increase of 4% over the comparable period
- Net profit before significant items of \$22.8 million compared to the Target's Statement forecast of \$22.2 million. This is down 6% from \$24.2 million in 2005 and reflects the combination of:
 - Difficult trading conditions in the Australian and North American markets, particularly in the second half
 - An improved performance from the Asian operations, reflecting the emerging benefits of the expanded local manufacturing base
 - A strong performance from AP Italia, as supply to further new programs commenced
- Significant items amounting to a net charge of \$7.6 million (compared to a charge of \$12.5 million in the prior year)
- Sound operating cash flow of \$71.0 million, compared to \$76.6 million in 2005
- Year end gearing of 64%, down from 71% at 31 December 2005

Commentary

"The full year result for 2006 is a disappointing one, particularly after the encouraging opening half that we reported in early August," said Pacifica's Managing Director, Mr John MacKenzie. "As we advised to the market, our second half performance was adversely affected by reduced production schedules from our key customers in both the Australian and North American markets, as well as the repercussions of considerable upheaval in the domestic supplier base."

North America

Pacifica's North American business registered an increase in sales revenue of approximately 13%, assisting a modest expansion in operating margin. The Knoxville plant recorded increased volumes and

following the appointment of a receiver to GEF. This served to pull forward costs originally expected to be incurred in 2007, but has also resulted in a lower than anticipated overall cost associated with the GEF underwriting. Pacifica has successfully re-sourced all related components without disruption to production.

- Impairment to carrying value of FMP Australia of \$4.4 million. As previously foreshadowed, the Board has reviewed the carrying value of Pacifica's 49% interest in FMP Australia and, in light of this business' continuing poor operating performance, has determined to write off all related goodwill.
- Rationalisation and asset writedown costs of \$0.8 million, largely associated with the relocation of Banksia park brake production to Thailand.

Cash Flow

Operating cash flow declined slightly to \$71.0 million, after a second half which was bolstered by settlement of the Delphi receivable in July. Full year capital expenditure amounted to approximately \$54 million, with major components being the Dalian foundry and the installation of equipment in Australia to accommodate new business volumes. At 64%, year end gearing (net debt to equity) fell closer to the company's targeted 55-60% range. Interest cover at the EBITDA level remained sound, of nearly 10 times.

Dividend

As it was a defeating condition of the offer from Bosch that Pacifica may not declare or pay a dividend during the offer period, the Board was not in a position to consider dividends relating to the second half of the 2006 financial year. In its Bidder's Statement, Bosch proposed a review of Pacifica's dividend policy upon change of control.

Bosch Offer

As advised to the ASX on 23 February 2007, the Bosch offer has been declared unconditional and will close on 4 March 2007. Bosch now has a relevant interest in over 50% of Pacifica's issued capital.

In light of a likely continuation of the challenging industry conditions which have adversely affected Pacifica's reported earnings in 2006, the Board reiterates its support of the Bosch offer in the absence of a higher offer. The Board believes that an acquisition of Pacifica by a large global automotive supplier, such as Bosch, is in the best interests of the company and its shareholders.

Outlook

"As we indicated in our Target's Statement, our expectation is that the challenging industry conditions currently prevailing will extend into the foreseeable future," said Mr MacKenzie. "Whilst our European business

continues to perform well and our Asian strategy is progressing to plan, there is significant pressure on our overall performance from increased input costs and from the decline in vehicle volumes being experienced by key customers in both Australia and North America. The outlook for both those markets is uncertain, notwithstanding the release of new vehicle platforms.”

“In addition, Bosch has indicated that it intends to conduct a general operational review of the company. The outcome of this could of course have an influence on the future performance and direction of the company,” said Mr MacKenzie.

It should also be noted that, following Bosch’s receipt of acceptances for more than 50% of Pacifica’s issued capital, the company will bear approximately \$10 million of after tax costs effective on the change of control, including the accelerated non-cash expense of share-based payments of approximately \$6 million. This is in line with estimates provided in the Target’s Statement.

For further information:

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FINANCIAL SUMMARY

FINANCIAL SUMMARY	2006	2005	%
Year ended 31 December	\$000	\$000	change
Sales revenue	838,531	803,769	+4%
EBITDA	115,932	109,397	+6%
Depreciation and amortisation	(63,870)	(56,789)	+12%
EBIT	52,062	52,608	-1%
Net profit before significant items	22,793	24,179	-6%
Earnings per share (before significant items) (¢)	16.8	17.8	-6%
Significant items after tax	(7,571)	(12,477)	
Net profit after significant items	15,222	11,702	+30%
Earnings per share (after significant items) (¢)	11.2	8.6	+30%
Operating cash flow	71,011	76,624	-7%
Return on equity (%)	9.0	9.8	

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