

6 August 2002

PACIFICA ANNOUNCES PROFIT INCREASE OF 34% FOR FIRST HALF

Pacifica Group Limited today announced its results for the six months ended 30 June 2002.

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Highlights of the First Half

- Net profit after tax up by 34.1% on the first half of 2001 to \$21.8 million
- Operating revenue of \$560.4 million
- Strong performance by PBR, particularly in North America
- Positive contribution to earnings by the Construction Products Division
- Strong cash flow and lower gearing

Additionally, in July, Pacifica completed and announced the sale of Lionweld Kennedy, its UK-based construction products business.

Dividend

Directors have declared a dividend of 9 cents per share franked to 60% for the first half of 2002. This compares with an interim dividend of 8.5 cents per share franked to 81% for 2001. The 2002 interim dividend will be paid in September.

Share Buy Back

To date, Pacifica has bought back 7.1 million shares out of a possible 15.1 million before September 2002. The average price paid for the shares has been \$3.88. Further purchases will be made as appropriate on the basis of an assessment of price and future cash requirements.

Automotive

PBR, Pacifica's automotive business, increased revenue by 5.4% and earnings by 21.5% over the corresponding period for last year.

The continuing strength of the North American automotive sector, particularly the light truck market, drove healthy demand for PBR's brake technologies. The major US automotive manufacturers maintained the range of incentive programs introduced after 11 September last year and these contributed to the unexpectedly high level of new registrations during the first six months of 2002.

The sales processes relating to the other Construction Products businesses, Webforge and Melwire, are ongoing and Pacifica will continue to negotiate with the clear objective of optimising the outcome for shareholders.

Outlook

Pacifica's short term focus continues to be the optimisation of current operations with a view to enhancing profitability.

Pacifica's outlook for the second half of 2002 will depend largely on the performance of the automotive sector in North America. Although current market estimates for vehicle sales are still very high, it is still unclear to what extent demand is being brought forward by the incentive programs currently in place in that market. If such incentives do not continue to have the same stimulative effect, there may be some decline in sales. Pacifica expects that demand in the US market will decrease by approximately 5% in the second half although, from a PBR perspective, this will be offset to a significant extent by the continuing ramp up in Columbia.

Demand in Asian automotive markets is expected to weaken and it is therefore expected that both PBR plants in the region will generate lower results in the second half.

In Australia, the supply of brake systems to Toyota is expected to commence around October and this should add some impetus to local sales to vehicle manufacturers although this is expected to be offset by some weakening in the aftermarket sector. Overall, PBR sales in Australia should remain relatively steady.

While the sales processes for the two remaining Construction Products Division businesses are ongoing, it is expected these businesses will continue to make a positive contribution to earnings pre sale.

On the basis of current forecasts for Automotive and Construction Products, Pacifica expects full year profits for 2002 to be higher than the \$33.3 million (before significant items) earned in 2001 by approximately 25% to 30%.

While Pacifica expects that there will be only modest earnings growth in 2003, from 2004 onwards further strong growth is anticipated. New business awards already obtained through Bosch will be met through the expansion of the Columbia plant in South Carolina which is already underway.

PBR is establishing application engineering capabilities in both Japan and Europe with a view to increasing the potential to obtain new business post 2004. The current thrust of this campaign relates to aluminium calipers and electric Banksia park brakes.

FINANCIAL SUMMARY
Half Year Ended 30 June 2002
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	2002	2001	%
	\$000	\$000	change
Revenue	560,350	615,601	-9.0%
EBITDA	81,849	79,433	3.0%
Depreciation	(33,466)	(37,154)	
Interest	(8,189)	(12,132)	
Pre-tax profit	40,194	30,147	33.3%
Significant items	(826)	-	
Taxation	(8,012)	(5,349)	
Outside equity interests	(9,547)	(8,529)	
Net profit	21,809	16,269	34.1%
Earnings per share (cents)	14.7	10.9	
Interim dividend (cents)	9.0	8.5	
Operating cash flow	71,943	40,765	
Cash flow per share (cents)	48.6	27.2	

For further information:

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