Appendix 4D

Half year report

Name of entity

PACIFICA GROUP LIMITED

Date

HALF YEAR ENDED 30 JUNE 2003

This document contains the half year information given to ASX under listing rule 4.2A.

The information should be read in conjunction with the 2002 Annual Financial Report.

Appendix 4D

Half year report

Name of entity

PACIFICA GROUP LIMITED

ABN	Half year ended
69 006 530 641	30 JUNE 2003

Results for announcement to the market

				$A'000
Revenue from ordinary activities	down	6.2%	to	525,686
Profit (loss) from ordinary activities after tax attributable to members	up	31.3%	to	28,637
Profit (loss) from extraordinary items after tax attributable to members				Nil
Net profit (loss) for the period attributable to members	up	31.3%	to	28,637

Dividends (distributions)	Amount per security	Franked amount per security
Interim dividend *(current reporting period)*	10.0 cents	10.0 cents
Interim dividend *(previous corresponding period)*	9.0 cents	5.4 cents

Record date for determining entitlements to the dividend: 5 September 2003

Brief explanation of any of the figures reported above.

Net profit includes a $4.6 million gain on the sale of discontinued operations. Excluding this gain, profit from continuing operations was up 10%, a record result for a half year. The result was underpinned by solid demand in North America for Pacifica's automotive products, where the company continued to build market share. Margins in both North America and Australia improved as a result of the success of the continuous improvement program implemented in 2001/2002.

Pacifica Group Limited and its controlled entities

Directors' Report

The Directors present their report together with the consolidated Half Year Financial Report of Pacifica Group Limited (the "Company") and its controlled entities (together being the "consolidated entity") for the half year ended 30 June 2003 and the Review Report thereon.

Directors

The Directors of the Company at any time during or since the end of the half year are:

Name	Period of Directorship
Jeremy K Ellis MA	Non-Executive Director since August 1999 and Non-Executive Chairman since July 2002
Anthony J Clarke FCPA, B Comm	Finance Director since June 2002
G Douglas W Curlewis BA, MBA	Non-Executive Director since March 1998
Peter A F Hay LLB	Non-Executive Director since September 1989
John R MacKenzie BSc	Managing Director since July 2001
Kenneth H Spencer AM, FCA	Non-Executive Director since October 1995
Richard H Stone B Mech Eng	Non-Executive Director since December 1994

Review of Operations

A review of the operations of the consolidated entity during the half year ended 30 June 2003 is set out in the News Release dated 6 August 2003 which forms part of this Directors' Report. Refer Attachment 1 to this Appendix 4D.

Directors' Report

Rounding Off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the Directors' Report and Financial Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed on this 6th day of August 2003 in accordance with a resolution of the Directors:

K H Spencer
Director

J R MacKenzie
Director

Statement of Financial Performance
for the half year ended 30 June 2003

	Note	Consolidated 2003 $000	2002 $000
Revenue from sale of goods		469,015	553,066
Proceeds from sale of controlled entities	3	52,020	-
Other revenue from ordinary activities	4	4,651	7,284
Total revenue		525,686	560,350
Cost of goods sold		(393,687)	(463,841)
Marketing and selling expenses		(5,130)	(9,702)
Warehouse and distribution expenses		(2,042)	(5,391)
Administration expenses		(13,879)	(28,895)
Research and development expenses		(7,242)	(4,668)
Borrowing costs		(6,242)	(8,746)
Net assets of controlled entities sold	3	(47,369)	-
Other expenses from ordinary activities		-	(3,471)
Total expenses		(475,591)	(524,714)
Share of net profit of associates		826	3,732
Profit from ordinary activities before income tax		50,921	39,368
Income tax attributable to ordinary activities	5	(12,732)	(11,208)
Profit from ordinary activities after income tax		38,189	28,160
(Profit) from ordinary activities after income tax attributable to outside equity interests		(9,552)	(6,351)
Profit from ordinary activities after income tax attributable to Pacifica Group Limited shareholders		28,637	21,809
Non-owner transaction changes in equity			
Net decrease in retained earnings on initial adoption of revised AASB 1028 "Employee Benefits"		(137)	-
Net exchange difference on translation of financial statements of self-sustaining foreign operations		(20,378)	(13,412)
Total changes in equity from non-owner related transactions attributable to Pacifica Group Limited shareholders		8,122	8,397
		cents	cents
Earnings per share	6		
Basic earnings per share		20.7	14.7
Diluted earnings per share		20.2	14.5

The statement of financial performance is to be read in conjunction with the accompanying notes.

Statement of Financial Position
as at 30 June 2003

	Note	Consolidated 30 June 2003 $000	31 December 2002 $000
Current assets			
Cash assets		65,553	87,706
Receivables		116,902	132,375
Inventories		49,030	59,159
Prepayments		1,333	2,461
Total current assets		232,818	281,701
Non-current assets			
Receivables		14,194	14,867
Investments accounted for using the equity method		29,756	28,930
Property, plant and equipment		381,199	441,134
Deferred tax assets		10,341	11,579
Other non-current assets		16,698	19,710
Total non-current assets		452,188	516,220
Total assets		685,006	797,921
Current liabilities			
Payables		118,482	136,411
Interest bearing liabilities		37,534	53,915
Current tax liabilities		1,272	5,992
Provisions		23,868	31,331
Total current liabilities		181,156	227,649
Non-current liabilities			
Interest bearing liabilities		138,428	174,820
Deferred tax liabilities		30,984	29,919
Provisions		793	1,073
Total non-current liabilities		170,205	205,812
Total liabilities		351,361	433,461
Net assets		333,645	364,460
Equity			
Contributed equity	8	291,832	308,455
Reserves		(13,939)	1,588
Retained profits (accumulated losses)	9	(9,368)	(17,783)
Total parent entity interest		268,525	292,260
Outside equity interests		65,120	72,200
Total equity		333,645	364,460

The statement of financial position is to be read in conjunction with the accompanying notes.

Statement of Cash Flows
for the half year ended 30 June 2003

	Consolidated 2003 $000	2002 $000
Cash flows from operating activities		
Cash receipts in the course of operations	461,146	545,121
Cash payments in the course of operations	(398,520)	(464,729)
Dividends received	-	3,470
Interest received	434	570
Borrowing costs paid	(5,099)	(8,765)
Income taxes paid	(10,361)	(3,724)
Net cash provided by operating activities	47,600	71,943
Cash flows from investing activities		
Payments for property, plant and equipment	(36,817)	(14,706)
Proceeds from sale of controlled entities (net of cash disposed)	48,130	-
Proceeds from sale of property, plant and equipment	2,865	13
Net cash provided by (used in) investing activities	14,178	(14,693)
Cash flows from financing activities		
Proceeds from issue of shares	67	159
Dividends paid to Pacifica Group Limited shareholders	(15,234)	-
Dividends paid to outside equity interests	(9,530)	(5,437)
Payments for share buy-back	(16,690)	(27,530)
Proceeds from borrowings	-	17,838
Repayment of borrowings	(34,280)	-
Net cash provided by (used in) financing activities	(75,667)	(14,970)
Net increase (decrease) in cash held	(13,889)	42,280
Cash at the beginning of the financial period	87,706	90,736
Effects of exchange rate changes on cash held in foreign currencies	(8,264)	(4,437)
Cash at the end of the financial period	65,553	128,579
	cents	**cents**
Operating cash flow per share	34.4	48.6

The statement of cash flows is to be read in conjunction with the accompanying notes.

Notes to the Financial Statements
for the half year ended 30 June 2003

Note 1. Statement of Significant Accounting Policies

(a) Basis of preparation of Half Year Financial Report

The consolidated Half Year Financial Report is a general purpose financial report which has been prepared in accordance with Accounting Standard AASB 1029 "Interim Financial Reporting", the recognition and measurement requirements of applicable AASB standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. This Half Year Financial Report is to be read in conjunction with the 31 December 2002 Annual Financial Report and any public announcements by Pacifica Group Limited and its Controlled Entities during the half year in accordance with continuous disclosure obligations arising under the Corporations Act 2001.

It has been prepared on the basis of historical costs and except where stated, does not take into account changing money values or fair values of non-current assets.

These accounting policies have been consistently applied by each entity in the consolidated entity and, except where there is a change in accounting policy as disclosed in Note 2, are consistent with those applied in the 31 December 2002 Annual Financial Report.

The Half Year Financial Report does not include full note disclosures of the type normally included in an Annual Financial Report.

(b) Reclassification of financial information

As a result of a change in accounting policy adopted for the first time in the 2002 Annual Financial Report, income tax attributable to ordinary activities has been increased in the statement of financial performance of the previous corresponding financial period with a concomitant decrease in profit from ordinary activities after income tax attributable to outside equity interests. The reclassification ensures that the half year financial report is prepared on a consistent basis as the annual financial report.

In addition, an amount of $826,000 representing a write-down of a construction products business, was treated in the previous corresponding period as an individually significant item. In the context of the annual result for the previous reporting period, the disclosure of this item was subsequently deemed not to be material to the understanding of the annual or half year net profit (loss) and is no longer treated as an individually significant item.

Notes to the Financial Statements

Note 2. Change in Accounting Policy

The consolidated entity has applied the revised AASB 1028 "Employee Benefits" (issued in June 2001) for the first time from 1 January 2003.

The liability for wages, salaries and annual leave is now calculated using the remuneration rates the consolidated entity expects to pay as at each reporting date, not wage and salary rates current at reporting date.

The initial adjustments to the consolidated financial report as at 1 January 2003 as a result of this change are a $195,000 increase in provision for employee benefits, a $58,000 increase in future income tax benefits, and a $137,000 increase in opening accumulated losses.

For the reporting period to 30 June 2003, there is no material change to profit or loss as a result of this change in accounting policy.

Note 3. Individually Significant Items

	Consolidated	
	2003	2002
	$000	$000
Profit from ordinary activities includes the following items of revenue (expense), together with related income tax, for which disclosure is relevant in explaining the financial performance of the consolidated entity		
Net proceeds from sale of Webforge group of companies	52,020	-
Net assets of Webforge group of companies sold	(47,369)	-
Profit before tax on sale of Webforge group of companies	4,651	-
Income tax attributable to profit on sale	-	-
Net profit on sale of Webforge group of companies	4,651	-

Note 4. Other Revenue from Ordinary Activities

Interest income	434	557
Proceeds from sale of property, plant and equipment	65	13
Other income	4,152	6,714
Total other revenue from ordinary activities	4,651	7,284

Notes to the Financial Statements

Note 5. Income Tax

	Consolidated	
	2003	2002
	$000	$000
Prima facie income tax calculated at 30% (2002: 30%) on profit from ordinary activities before income tax	15,276	11,810
Add increased tax arising from		
Non-allowable depreciation	51	89
Offshore profits at higher tax rates	795	-
Other non-allowable items	352	727
Less reduced tax arising from		
Offshore profits at lower or nil tax rates	-	(563)
Share of associates' net profit	(248)	(1,120)
Other non-assessable items	(1,314)	-
Individually significant item - non-taxable profit on sale of Webforge group of companies	(1,395)	-
Income tax on operating profit	13,517	10,943
Income tax under (over) provided in prior year	(785)	265
Income tax attributable to ordinary activities	12,732	11,208

Note 6. Earnings per Share

	Number	Number
Weighted average number of ordinary shares		
Number used as the denominator for basic earnings per share	138,466,129	148,050,796
Effect of executive share options on issue	3,228,554	2,392,141
Effect of executive share options expired during the period	231,387	40,000
Number used as the denominator for diluted earnings per share	141,926,070	150,482,937

Options outstanding and lapsed under the Executive Share Plan have been classified as potential ordinary shares and included in the calculation of diluted earnings per share only.

Notes to the Financial Statements

Note 7. Segment Reporting - Geographical Segments

2003 ($000)	United States of America	Australia & New Zealand	Asia	Europe	Eliminations	Consolidated
Sales revenue	274,997	174,962	19,056	-	-	469,015
Other revenue	891	8,381	233	-	(5,023)	4,482
Segment revenue	275,888	183,343	19,289	-	(5,023)	473,497
Unallocated revenue						52,189
Total revenue						525,686
Segment result	27,881	21,814	2,797	-	-	52,492
Share of net profit of associates	-	826	-	-	-	826
Unallocated corporate expenses						(1,240)
Unallocated profit on sale of controlled entities						4,651
Borrowing costs net of interest revenue						(5,808)
Profit from ordinary activities before income tax						50,921

2002 ($000)	United States of America	Australia & New Zealand	Asia	Europe	Eliminations	Consolidated
Sales revenue	283,206	191,201	43,667	34,992	-	553,066
Other revenue	831	9,380	427	38	(3,516)	7,160
Segment revenue	284,037	200,581	44,094	35,030	(3,516)	560,226
Unallocated revenue						124
Total revenue						560,350
Segment result	22,112	15,803	5,506	1,836	-	45,257
Share of net profit of associates	-	3,498	-	234	-	3,732
Unallocated corporate expenses						(1,432)
Unallocated profit on sale of controlled entities						-
Borrowing costs net of interest revenue						(8,189)
Profit from ordinary activities before income tax						39,368

Unallocated revenue in the current financial period comprises proceeds from the sale of the Webforge group of companies. As the operations were sold as a whole, the revenue is not allocable to geographic segments.

The disclosures above show segment revenue and result by location of assets. Sales revenues by customer location are disclosed on the following page.

Notes to the Financial Statements

Note 7. Segment Reporting - Geographical Segments (continued)

2003 ($000)	United States of America	Australia & New Zealand	Asia	Europe	Consolidated
Sales by asset location	274,997	174,962	19,056	-	469,015
Exports from (to) other regions	81,185	(83,589)	2,404	-	-
Sales by customer location	356,182	91,373	21,460	-	469,015

2002 ($000)	United States of America	Australia & New Zealand	Asia	Europe	Consolidated
Sales by asset location	283,206	191,201	43,667	34,992	553,066
Exports from (to) other regions	82,921	(85,267)	2,346	-	-
Sales by customer location	366,127	105,934	46,013	34,992	553,066

Note 8. Contributed Equity

	Consolidated 30 Jun 2003 $000	Consolidated 31 Dec 2002 $000
Ordinary shares issued and fully paid 135,922,870 (31 December 2002: 140,496,887)	291,832	308,455

Movements in issued ordinary shares during the financial period is set out below.

	Number of shares	Average Price	$000
Balance at the beginning of the financial period	140,496,887		308,455
Issued pursuant to Non-Executive Directors' Share Plan	18,772	$3.58	67
Shares bought back	(4,592,789)	$3.63	(16,690)
Balance at the end of the financial period	135,922,870		291,832

On 28 September 2001, the Company announced an on-market buy-back program to purchase 15,033,093 ordinary shares, representing 10% of the shares on issue on that date. For the whole of the previous financial year 9,939,792 shares were bought back and a further 4,592,789 were acquired in the current financial period.

Notes to the Financial Statements

Note 8. Contributed Equity (continued)

During the financial period, the following options and performance rights were issued pursuant to the Pacifica Group Limited Executive Option and Performance Right Plan.

Effective Issue Date	Number	Exercise Price (cents)	Expiry Date
17 June 2002 (options)	60,000	406	16 June 2012
17 June 2002 (rights)	51,000	-	16 June 2012
10 June 2003 (rights)	1,268,100	-	9 June 2013

The options and performance rights cannot be exercised until a minimum of three years has passed from effective issue date and then only if the performance hurdles have been met. Exercise is subject to the satisfaction of a progressive performance hurdle based on the relative total shareholder return against a peer group of companies.

Note 9. Retained Profits (Accumulated Losses)

	Consolidated	
	2003 $000	2002 $000
(Accumulated losses) at the beginning of the half year	(17,783)	(50,387)
Profit from ordinary activities after income tax attributable to Pacifica Group Limited shareholders	28,637	21,809
Net effect of initial adoption of revised AASB 1028 "Employee Benefits"	(137)	-
Transfer from foreign currency translation reserve	(4,851)	-
Dividends	(15,234)	-
(Accumulated losses) at the end of the half year	(9,368)	(28,578)

Note 10. Dividends

During the reporting period, Pacifica Group Limited has paid or provided for dividends not previously recognised in retained profits as follows. Final dividend on ordinary shares in respect of the 2002 financial year paid on 4 April 2003	15,234	-

Subsequent to reporting date

Since 30 June 2003, the Directors have declared an interim dividend on ordinary shares payable on 19 September 2003	13,578

The financial effect of this dividend has not been brought to account in the consolidated entity financial statements for the period ended 30 June 2003.

Notes to the Financial Statements

Note 11. Acquisition and Disposal of Controlled Entities

Acquisition

The consolidated entity did not gain control over any entities during the current or previous corresponding half year.

Disposal

During the current half year period, the consolidated entity sold for cash its 100% interest in the ordinary shares of Pacific BBA Gratings Pty Ltd and Webforge (Thailand) Ltd, which together comprise the Webforge operations. The sales have effect 2 January 2003.

	$000
Consideration	52,020
Contribution to net profit for the current period from sale of interest leading to loss of control	4,651
Consolidated profit (loss) from ordinary activities after tax for the current period to the date of loss of control	(42)
Consolidated profit (loss) from ordinary activities after tax for the whole of the previous corresponding period	1,362

The consolidated entity did not lose control over any entities during the previous corresponding half year period.

Note 12. Discontinuing Operations

In the annual reporting period ended 31 December 2001, the Company announced its intention to divest the Construction Products Division so as to focus the group around its automotive technologies. At the time of the announcement, the Division comprised Lionweld Kennedy, the European operations; Webforge, the Australian, New Zealand and Asian gratings businesses; and Melwire, the Australian and New Zealand screens, conveyor belts and metal gauzes operations. Webforge was disposed effective 2 January 2003 (refer details above) and Lionweld Kennedy was disposed effective 1 July 2002. The Company expects to find a buyer for Melwire before 31 December 2003.

The contribution by discontinuing operations to consolidated profit (loss) from ordinary activities after tax for the current financial period is $858,000 (2002: $3,221,000) and the carrying value of net assets at the end of the financial period is $10,919,000 (31 December 2002: $59,492,000).

Notes to the Financial Statements

Note 13. Contingent Liabilities and Contingent Assets

	Consolidated	
	30 June 2003 $000	31 December 2002 $000
To assist in the divestment of the Lionweld Kennedy group of companies, Pacifica Group Limited has provided a guarantee to an unrelated party in respect of banking facilities provided to the previously controlled entities	5,985	8,171
In the event that the Pacifica Group Employee Share Plan ceases to operate, at the prevailing market share price the Company would be liable to meet employee loan balances	607	666

Other than these, there were no changes in contingent liabilities or contingent assets since 31 December 2002.

Note 14. Event Subsequent to Reporting Date

Acquistion of Entity

On 1 August 2003, the Company announced the acquisition of 100% of the ordinary shares of Automotive Products Italia (SV) SpA ("AP Brakes"), a manufacturer of drum brakes and park brakes located in Northern Italy, for a consideration of approximately $60,000,000. The fair value of the net assets of AP Brakes at the date of acquisition was approximately $32,000,000 and the purchased goodwill amounted to $28,000,000.

The financial effects of the above transaction have not been brought to account in the consolidated entity financial statements for the half year ended 30 June 2003.

Directors' Declaration

In the opinion of the Directors of Pacifica Group Limited:

1 the financial statements and notes set out on pages 5 to 15 are in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the financial position of the consolidated entity as at 30 June 2003 and of its performance, as represented by the results of its operations and cash flows for the half year ended on that date; and

(b) complying with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

2 there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed on this 6th day of August 2003 in accordance with a resolution of the Directors.

K H Spencer
Director

J R MacKenzie
Director

Independent review report to the members of Pacifica Group Limited

Scope

We have reviewed the financial report of Pacifica Group Limited for the half-year ended 30 June 2003, consisting of the statement of financial performance, statement of financial position, statement of cash flows, accompanying notes 1 to 14 and the directors' declaration set out on pages 5 to 16. The financial report includes the consolidated financial statements of the consolidated entity, comprising the Company and the entities it controlled at the end of the half-year or from time to time during the half-year. The Company's directors are responsible for the financial report.

We have performed an independent review of the financial report in order to state whether, on basis of procedures described, anything has come to our attention that would indicate that the financial report is not presented fairly in accordance with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the consolidated entity's financial position, and performance as represented by the results of its operations and its cash flows and in order for the Company to lodge the financial report with the Australian Securities and Investment Commission.

Our review has been conducted in accordance with Australian Auditing Standards applicable to review engagements. The review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data. Our review has not involved a study and evaluation of internal accounting controls, tests of accounting records or tests of responses to inquiries by obtaining corroborative evidence from inspection, observation or confirmation. The procedures do not provide all the evidence that would be required in an audit, thus the level of assurance is less than given in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Statement

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Pacifica Group Limited is not in accordance with:

a) the Corporations Act 2001, including:

   i. giving a true and fair view of the consolidated entity's financial position as at 30 June 2003 and of its performance for the half-year ended on that date; and

   ii. complying with Australian Accounting Standard AASB 1029 "Interim Financial Reporting" and the Corporations Regulations 2001; and

b) other mandatory professional reporting requirements in Australia.

KPMG

Paul J McDonald
Partner

Dated at Melbourne this 6th day of August 2003

Additional Information Required under ASX Listing Rule 4.2A.3

Net Tangible Assets per Security

	Consolidated	
	30 June 2003 $	31 December 2002 $
Net tangible asset backing per ordinary security	$1.98	$2.08

Dividends

Date the dividend is payable 19 September 2003
Record date to determine entitlements to the dividend 5 September 2003

	2003	2002
Amount per security (cents)	10.0 c	9.0 c
Franked amount per security at 30% tax rate (cents)	10.0 c	5.4 c
Amount per security of foreign source dividend (cents)	-	-
Interim dividend on ordinary securities ($000)	13,578	12,837

There are no dividend reinvestment plans in operation; the Pacifica Group Limited Dividend Reinvestment Plan was suspended with effect from the interim 2001 dividend paid 5 October 2001.

Details of Investments in Associates

	Consolidated	
	2003 $000	2002 $000
Results of associates		
Share of associates' profit from ordinary activities before tax	1,876	5,937
Share of associates' income tax attributable to ordinary activities	(563)	(1,718)
Share of associates' net profit as disclosed by associates	1,313	4,219
Amortisation of goodwill arising from investment	(487)	(487)
Share of net profit of associates	826	3,732
Details of associates and contribution to net profit		
FMP Group (Australia) Pty Ltd		
Ownership interest: 49% (2002: 49%)	826	3,498
Lionweld Kennedy Middle East LLC		
Ownership interest: 0% (2002: 49%), disposed 1 July 2002	-	234
Total	826	3,732

Additional Information Required under ASX Listing Rule 4.2A.3

Audit dispute or qualification statement

The accounts are not subject to an audit dispute or qualification.

R S Joblin
Company Secretary

Dated 6 August 2003

Attachment 1 - News Release dated 6 August 2003

PACIFICA ANNOUNCES PROFIT INCREASE OF 10% FOR FIRST HALF OF 2003

Pacifica Group Limited today announced its results for the six months to 30 June 2003.

Highlights of the First Half

- Net profit after tax before significant items increased by 10% to $24.0 million - in line with the guidance given at the AGM
- Earnings per share before significant items increased by 18% to 17.3 cents per share
- Solid demand in North America underpinned the strong performance from automotive
- Webforge divested at a profit to book value
- AP Italia acquired, announced on 1 August 2003

Automotive

Pacifica's automotive subsidiary, PBR, had another strong half. Although sales were lower than in the first half of 2002 by 3%, this can be attributed to the translation effect of the strong Australian Dollar. Had the rate of exchange remained unchanged from last year, sales would have been higher by some $45.5 million, resulting in an increase of 7% over the corresponding period for 2002. Similarly, the negative impact on earnings before interest and tax was $5 million.

Margins in both North America and Australia improved as a result of the success of the continuous improvement programs implemented during 2001/02.

In North America, PBR continued to build its market share. Sales increased despite a flatter overall automotive market in the region, owing to PBR's exposure to the successful sports utility vehicle platforms and the fact that Columbia is now fully ramped up. Both the Knoxville, Tennessee and Columbia, South Carolina plants performed to plan. The expansion of the Columbia plant continues to be on time and on budget with the final assembly lines now installed.

In Australia, a buoyant automotive market was the impetus for strong sales to local manufacturers. New models and strong exports improved sales in the first half of 2003.

Volumes and contributions from PBR's Asian operations were lower.

Pacifica's joint venture friction materials business, FMP, formerly known as Bendix Mintex, had a disappointing half with earnings down on the corresponding period for last year because of a decline in export sales to North America, manufacturing disruption and one off costs associated with the introduction of a complete new range of friction products. Pacifica's partner in FMP, Honeywell, is in the process of selling its interests in the business to Federal Mogul.

Attachment 1 - News Release dated 6 August 2003 (continued)

Acquisition of AP Brakes

On 1 August 2003, Pacifica announced that PBR had acquired the Italian drum brake manufacturer, Automotive Products Italia (SV) SpA, (AP Brakes) for approximately A$60 million. AP Brakes will be consolidated from 1 July 2003 and will be immediately earnings per share positive, after goodwill amortisation.

AP Brakes, which supplies drum and park brakes to Fiat, Ford and Nissan in Europe and has licensees in Turkey, Brazil and Japan, has sales of approximately A$72 million per annum. On the basis of contracted volumes, AP Brakes is forecast to increase sales by a compound 10% for the next three years.

The acquisition is of significant strategic importance for Pacifica because it:

- accords with Pacifica's core automotive competencies;
- establishes a solid base in the European market;
- dilutes Pacifica's reliance on the North American market;
- broadens the company's customer base;
- brings exposure to the small car portion of the market;
- embraces proprietary technology; and
- provides a platform for the sale of existing PBR products in Europe.

Construction Products

In February 2003, Pacifica announced the sale of the Webforge group of companies. The $4.6 million profit on the sale is shown in the financial statements for the first half as an individually significant item.

The sales process for Melwire, the residual part of the former Construction Products division, is ongoing and a positive outcome is expected within the next few months.

Dividend

The Directors have declared a fully franked interim dividend of 10 cents per share for the first half of 2003. This compares with an interim dividend of 9 cents per share franked to 60% for 2002. The 2003 interim dividend will be paid on 19 September 2003 to shareholders registered on 5 September 2003.

Attachment 1 - News Release dated 6 August 2003 (continued)

Share Buy Back

During the half Pacifica bought back a further 4.6 million shares under the 10% buy back program initiated in September 2001 and extended in September 2002. To date, Pacifica has bought back 14.7 million shares out of a possible 15.1 million. The average price paid for the shares has been $3.77 and the whole buy back program has been earnings per share positive. The buy back program may be extended if the Directors consider this to be an appropriate use of funds.

Immediate Outlook

Sales in North America are expected to soften in the second half. This weaker demand has already been factored into Pacifica's forecasts.

The Australian vehicle market is expected to remain relatively strong and the domestic aftermarket is expected to improve.

Demand in Asian automotive markets is expected to remain subdued and PBR's activities in Thailand and Malaysia are expected to achieve only modest results.

The new Italian business is expected to make a small contribution to earnings in the second half. Integration of this business into the group will be a priority for the rest of 2003.

On the basis of current forecasts, Pacifica has no reason to change its previous guidance of full year profits for 2003 being slightly higher than those reported in 2002 (before significant items).

Longer Term Growth Prospects

2004 is expected to be a year of growth for Pacifica. New business already awarded in the North American market will be brought into production during the first half of 2004. Supply will be from the newly expanded Columbia plant. Additionally, there will be a full year's contribution from AP Brakes in Italy.

Pacifica's future growth will come from the commercialisation of new products in new markets and from new customers. Following the acquisition of AP Brakes, new customers in Europe will include Fiat, Ford, Nissan, Renault, and Toyota.

Additionally, even following the acquisition of AP Brakes, Pacifica still has the balance sheet strength to consider further bolt-on acquisitions.

Attachment 1 - News Release dated 6 August 2003 (continued)

FINANCIAL SUMMARY
Half Year Ended 30 June 2003

	2003 $000	2002 $000	% change
Sales revenue	**469,015**	**553,066**	**-15.2%**
EBITDA	**77,945**	**81,023**	**-3.8%**
Depreciation and amortisation	(25,867)	(33,466)	
EBIT	**52,078**	**47,557**	**9.5%**
Interest	(5,808)	(8,189)	
Pre-tax profit	**46,270**	**39,368**	**17.5%**
Taxation and outside equity interests	(22,284)	(17,559)	
Net profit before significant items	**23,986**	**21,809**	**10.0%**
Earnings per share (cents)	**17.3**	**14.7**	

Significant items after tax	4,651	-
Net profit	**28,637**	**21,809**
Earnings per share (cents)	**20.7**	**14.7**
Operating cash flow	**47,600**	**71,943**
Cash flow per share (cents)	**34.4**	**48.6**
Interim dividend (cents)	**10.0**	**9.0**