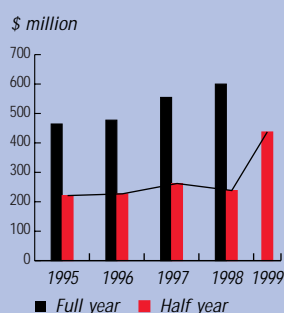


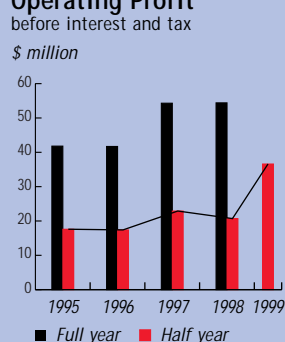
Half Year Results Summary

	June 1999 \$000	June 1998 \$000
Sales revenue	437,260	238,166
Operating profit before interest and tax	36,646	20,712
Net profit before abnormals	14,956	10,241
Earnings per share	10.5¢	7.5¢
Operating cash flow	52,475	36,020
Cash flow per share	37.0¢	26.5¢

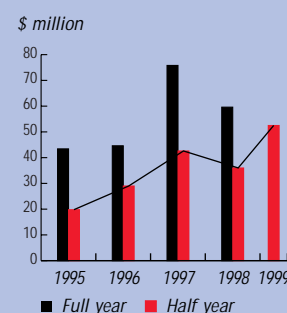
Sales



Operating Profit



Operating Cash Flow



Result

For the six months to 30 June 1999, Pacifica Group Limited had a record operating profit after tax and before abnormals of \$14.96 million. This is an increase of 46% over the corresponding period for 1998.

Sales revenue of \$437 million was up almost 84% over the previous first half (\$238 million) while earnings per share before abnormals were 10.5 cents compared with 7.5 cents and gross cash flow per share was 37 cents compared with 26.5 cents.

The Company also booked an abnormal profit of \$4.61 million which was attributable to the sale of 49% of Viscount Plastics to the Linpac Group and the sale of its remaining interest in the Indonesian plastics business, Dynaplast.

Interest payments rose by \$5.4 million largely because of investment in new plant and equipment for PBR including the newly completed facility in Tennessee, USA.

Directors declared an interim dividend of 7 cents per share (franked as to 75%) which was up from 6 cents per share for the corresponding dividend in 1998. Directors also announced a reduction, from 5.0% to 2.5%, on the discount applicable to the Dividend Reinvestment Plan with effect from 1 October 1999, the date for payment of the interim dividend. This decision was made after taking into account the pleasing progress made in reducing gearing, the Company's strong cash flows and forecast lower capital expenditure requirements.

Commentary

The excellent result is largely attributable to the growth in volumes on new programs in the Automotive Division and the necessary but significant improvement by our Plastics Division.

PBR has performed exceptionally well in North America and Australia. Its sales more than doubled over the corresponding half last year. Viscount Plastics has achieved a strong turnaround in Australia and improvement is evident in Asia.

The only disappointment for the half was the Construction Products Division, which suffered from the dearth of major new projects in Asia, start-up losses in new plants in Asia, and depressed conditions in the resources markets in Australia and New Zealand.

Overall, the sound Australian and North American economies and improving conditions in most of Asia and in New Zealand all contributed to the strong result.

Automotive

The Automotive Division's performance was driven by:

- the new disc brake caliper plant in Knoxville, Tennessee, which is now operating at 100% of current installed capacity;
- growing export volumes of Banksia park brakes from Australia to North America;
- the continued strength of the Australian new car market; and
- partial recovery in the Asian automotive markets.

Demand for product from the plant in Knoxville is exceeding our original estimates. This project has been a success to date and returns will continue to increase as efficiencies improve and customer demand expands over the next year.

The construction of our new US\$50 million plant in Columbia, South Carolina, has started and we expect production to commence in early 2001. The plant will manufacture Banksia park brakes and aluminium calipers for additional orders we announced late last year.

Exports of park brakes for North America from PBR's East Bentleigh (Victoria) plant reached record levels during the half year.

There has also been a recovery in Asian markets, particularly Malaysia where sales of Proton vehicles have significantly increased. While demand from Korean manufacturers is still low, it is growing. Sales are also commencing from our new operations in Thailand.

The Australian new car market continues to run at last year's record levels and demand from local manufacturers is commensurately high.

Aftermarkets in Australia and overseas remain flat and PBR continues to reduce costs and streamline its product lines.

Returns from Pacifica's investments in its friction materials businesses were again strong. Bendix Mintex achieved good export and domestic sales, while the new plant in Thailand is performing to plan and Don Brake Malaysia has shown strong improvement.

Construction Products

The Construction Products Division comprises three businesses – Webforge, Lionweld Kennedy and Melwire. The Division's earnings were down on the previous corresponding half year. Key features of the six months were:

- depressed demand in Asian markets for Webforge products;
- start-up losses associated with new plants in China and Thailand;
- lower demand in Australia and New Zealand but improved earnings by Webforge in those countries due to productivity increases; and
- a better than expected contribution from Lionweld Kennedy.

Reduced investment in minerals projects in Australia and New Zealand has been a major reason for lower demand for Webforge and Melwire products.

While most Asian economies are showing signs of recovery, investment in major infrastructure and industrial projects is weak and there is still no evidence of recovery in Indonesia. There is also a time lag between commencement of these projects and demand for our construction products.

Melwire's dependence on the minerals sector adversely affected its earnings. However, a great deal of work has been done to reposition this business for the future with new equipment, systems and people.

Lionweld Kennedy has performed very well in the UK, particularly in the highway barriers market. In the Middle East, the new joint venture in Dubai, which was announced in February 1999, is also showing excellent potential in this growing market.

Development of new markets in areas such as the drainage and water treatment industries was vigorously pursued by Webforge during the half year.

Plastics

Viscount Plastics, which manufactures and markets rigid packaging, materials handling products and automotive and industrial products, showed significant improvement. Highlights for the six months were:

- strong demand for packaging and materials handling products in Australia;
- improving trading conditions in Asia and New Zealand; and
- the sale, announced in March 1999, of a 49% stake in the Plastics group to the UK-based Linpac Group Limited.

The joint venture with Linpac has positioned Viscount to become a globally oriented plastics business with access to European and American technology and products and the ability to share tooling and development costs. The early indications are that our links with Linpac will be extremely valuable in the longer term and we are already co-operating in a range of areas.

The benefits of the restructuring of management and operations at Viscount in recent years have been considerable. There is now a stronger focus on core products and on product development.

A more active building and construction industry in Australia and New Zealand created increased demand for our plastic pails and cartridges. Our materials handling products, including the MegaBin, were also in strong demand during the half year.

Only the automotive and industrial markets were below expectations but we are confident improvement can be achieved.

The improving markets in New Zealand, Malaysia and Thailand have led to better earnings for our plastics businesses in those countries and our plants in China have also achieved growth.

New Director

Mr Jerry Ellis was appointed a Director of the Company on 4 August 1999. He is the former Chairman of BHP and brings a wealth of international management experience to the Pacifica Board. He is currently Chairman of the Australia–Japan Foundation and Chancellor of Monash University. He is also a Director of the ANZ Bank and Aurora Gold.

People, Health, Safety and Environment

Pacifica continued the strong emphasis on health and safety during the half year. All Divisions showed ongoing improvement over the corresponding six months last year and the overall Lost Time Injury Frequency Rate for the Company fell by 25%.

During the half year, eligible employees were offered 400 shares each under the Company's employee share plan and take-up reached nearly 90%. Employees of the UK-based Lionweld Kennedy (acquired by Pacifica in 1998) participated for the first time and their acceptance rate was 95%.

The Company's environmental management initiatives were recognised during the half year with the winning of major awards by PBR. It won two Victorian Government sponsored Energy Smart awards, including the overall award for its energy saving activities. PBR also won a Commendation from the Environment Protection Authority in this year's Cleaner Production Awards.

Pacifica now employs almost 5,000 people, a 16% increase on the corresponding period last year. The commencement of full production at PBR's Knoxville facility and the Lionweld Kennedy acquisition were the major reasons for the increase.

Finance

Borrowings decreased by \$52 million over the period, reducing gearing from 80% at 1998 year end to 60% at the half year (or 68% when the Directors' revaluation of Associate Investments is excluded under equity accounting).

Operating cash flow was \$52 million compared to \$36 million for the first half of 1998 and was a record result for any six month period. The 45% increase in operating cash flow was due to the excellent profit result, combined with well managed working capital levels which only marginally increased from year end despite substantial growth in sales levels.

Also contributing to the debt reduction was \$31 million received from Linpac Group upon its acquisition of a 49% interest in the Plastics group.

Capital expenditure returned to a more moderate level of \$45 million in the half year, of which over 80% was allocated to automotive projects. The key expenditures were made on additional production capacity in Knoxville, USA and export Banksia capacity at the PBR plant in Melbourne.

Outlook

The second half of 1999 should be one of continuing growth for Pacifica with sales for the full year expected to increase around 45% year on year.

Demand for our automotive products continues to grow and we see further improvement from our plastics businesses. The short-term outlook for construction products remains subdued, but the Division's strategy is sound and it will benefit in the longer term from an up-turn in the minerals industry and a flow-through from the recovery in Asian markets.

We expect the North American and Australian economies to remain buoyant for the balance of 1999 and for most of the Asian economies to continue their revivals.

Construction of the new automotive manufacturing plant in Columbia, South Carolina, will continue during the second half, and the 49% owned Lionweld Kennedy plant in Dubai will be completed and commissioned in early 2000. These are the only projects where work is in progress – all other new plants are now completed and functioning.

The story for 1999 is that Pacifica is reaping the benefits of its large capital investment program in 1997 and 1998. Beyond this year, our growth will be underpinned by the substantial automotive orders we have in place in North America, the recovery in Asian economies and the continuing international growth of all our business streams.

Profit and Loss Account

for the half year ended 30 June 1999

	June 1999 \$000	June 1998 \$000
Revenue from Operating Activities		
Sales revenue	437,260	238,166
Other revenue	11,318	12,472
Total Revenue from Operating Activities	448,578	250,638
Operating profit from operating activities before goodwill amortisation, interest and tax	39,890	23,083
Goodwill amortisation	(3,244)	(2,371)
Operating profit before interest and tax	36,646	20,712
Net interest	(11,318)	(5,882)
Operating profit before tax	25,328	14,830
Income tax expense	(8,762)	(4,339)
Operating profit after income tax	16,566	10,491
Outside equity interests in operating profit	(1,610)	(250)
Net operating profit before abnormal items	14,956	10,241
Abnormal items after tax	4,610	(3,483)
Net operating profit after abnormal items	19,566	6,758
	cents	cents
Earnings per share before abnormal items	10.5	7.5
Earnings per share after abnormal items	13.8	5.0

Balance Sheet

as at 30 June 1999

	30 June 1999 \$000	31 December 1998 \$000	30 June 1998 \$000
Current Assets			
Cash	74,503	62,282	54,141
Receivables	146,215	140,829	89,824
Inventories	75,152	76,010	67,704
Other	2,653	3,723	1,306
Total Current Assets	298,523	282,844	212,975
Non-Current Assets			
Receivables	14,950	6,455	8,664
Investments* ^(a)	27,451	90,348	87,390
Property, plant and equipment	479,066	473,256	431,077
Intangibles	102,864	101,467	77,100
Other	31,327	38,077	36,806
Total Non-Current Assets	655,658	709,603	641,037
Total Assets	954,181	992,447	854,012
Current Liabilities			
Accounts payable	103,495	103,887	72,540
Borrowings	41,902	85,322	29,086
Provisions	44,854	41,510	32,281
Total Current Liabilities	190,251	230,719	133,907
Non-Current Liabilities			
Borrowings	317,941	314,439	296,303
Provisions	28,648	26,154	23,528
Total Non-Current Liabilities	346,589	340,593	319,831
Total Liabilities	536,840	571,312	453,738
Net Assets	417,341	421,135	400,274
Shareholders' Equity			
Share capital	322,653	299,668	138,040
Reserves* ^(b)	(2,874)	59,945	205,755
Retained profits* ^(c)	28,415	21,791	20,632
Shareholders' equity attributable to Pacifica Group Limited shareholders	348,194	381,404	364,427
Outside equity interests	69,147	39,731	35,847
Total Shareholders' Equity	417,341	421,135	400,274

* In the current reporting period, Pacifica Group Limited adopted revised accounting standard AASB 1016 *Accounting for Investments in Associates*. Adoption of the standard at 1 January 1999 resulted in the following changes to the consolidated balance sheet:

(a) A reduction in Investments of \$60,612,000;

(b) A reduction in Reserves of \$57,787,000 due to the exclusion of the Directors' Revaluation Reserve;

(c) A reduction in Retained profits of \$2,720,000.

The Directors' revaluation of Pacifica's investment in Bendix Mintex [item (b) above] has been retained in the parent entity's accounts.

Statement of Cash Flows

for the half year ended 30 June 1999

	Cash Inflows/(Outflows)	
	June 1999 \$000	June 1998 \$000
Cash Flows from Operating Activities		
Operating profit before interest, tax and share of associates' net profit	32,450	17,387
Add back non-cash items included in operating profit	27,298	16,577
	59,748	33,964
Net interest paid	(11,607)	(5,803)
Income taxes paid	(3,085)	(3,644)
Dividends received from associates	9,073	7,359
	54,129	31,876
(Increase)/Decrease in working capital	(1,654)	8,408
Abnormal items	–	(4,264)
Net Operating Cash Inflows	52,475	36,020
Cash Flows from Investing Activities		
Payments for property, plant and equipment	(45,844)	(73,962)
Proceeds from sale of property, plant and equipment	368	1,150
Payments for intangibles	(4,000)	–
Consideration for acquisitions	(2,931)	(4,402)
Proceeds from formation of joint venture	31,017	–
Proceeds from sale of investment	1,760	–
Net Investing Cash Outflows	(19,630)	(77,214)
Cash Flows from Shareholder Activities		
Proceeds from issue of shares	2,346	84
Equity contributions from joint venture partners	6,376	–
Dividends paid to shareholders	(4)	(5,301)
Net Shareholder Cash Flows	8,718	(5,217)
Total Net Cash Inflow/(Outflow)	41,563	(46,411)
Movement in Borrowings		
Net borrowings at the beginning of the half year	337,479	218,456
Cash (Inflow)/Outflow applied to borrowings	(41,563)	46,411
Effects of exchange rate changes on net borrowings	(10,576)	6,381
Net borrowings at the end of the half year	285,340	271,248
	cents	cents
Gross cash flow per share	37.0	26.5

Segment Reports

	Operating Profit before Tax		Sales		Total Assets	
	June 1999 \$000	June 1998 \$000	June 1999 \$000	June 1998 \$000	30 June 1999 \$000	30 June 1998 \$000
Industries						
Automotive	28,910	13,684	279,992	121,237	514,529	491,959
Construction Products	4,057	4,530	92,026	51,267	218,073	155,648
Plastics	4,877	3,287	65,242	65,662	127,861	140,037
Segment totals	37,844	21,501	437,260	238,166	860,463	787,644
Unallocated items	(12,516)	(6,671)	–	–	93,718	66,368
Group totals	25,328	14,830	437,260	238,166	954,181	854,012

Automotive	Brakes, clutches, disc pads and brake linings.
Construction Products	Steel and aluminium gratings, metal handrails and highway barriers. Construction engineering services. Access hole covers. Steel and plastic screens, conveyor belts and metal gauzes.
Plastics	Plastic products including crates and pallets, pails and cartridges, furniture and custom moulded products.
Unallocated items	Interest and corporate office expenses.

Manufacturing Regions

Australia and New Zealand	28,400	20,563	238,785	213,227	479,987	539,152
United States	6,558	59	121,416	–	211,421	156,150
Europe	2,104	–	40,170	–	60,054	–
Asia	782	879	36,889	24,939	109,001	92,342
Segment totals	37,844	21,501	437,260	238,166	860,463	787,644
Unallocated items	(12,516)	(6,671)	–	–	93,718	66,368
Group totals	25,328	14,830	437,260	238,166	954,181	854,012

Shareholder Information

Pacifica shares are listed under the code 'PBB' on the Australian Stock Exchange. Shareholders who have any queries concerning their holding should contact the share registry at:

Computershare Registry Services Pty Ltd
Telephone 613 9611 5711 (Melbourne) or 612 8234 5000 (Sydney).

An interim dividend of 7 cents per share will be paid on 1 October 1999 to shareholders registered at 17 September 1999.

For further information about Pacifica and our activities, visit our website at www.pacifica.com.au
The site is regularly updated with news and information about the Company including press releases and investor presentations.

Pacifica Group Limited
ACN 006 530 641

Directors: R J Fynmore (Chairman), B J Jackson (Managing Director), J A Cook (Finance Director),
G D W Curlewis, J K Ellis, P A F Hay, K H Spencer, R H Stone

Secretary: R S Joblin

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