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PBR International Limited
ACN 006 527 340
A Pacifica Group company

264 East Boundary Road
East Bentleigh Victoria 3165 Australia
Telephone (613) 9575 2200
Facsimile (613) 9575 2591
<http://www.pbr.com.au>
pbr_enquiries@pbr.com.au

PBR ACQUIRES ITALIAN BRAKE BUSINESS

PBR International has today announced that it has acquired the Italian based drum brake manufacturer, Automotive Products Italia (SV) SpA ("AP Brakes"), for a total consideration of €37.5 million (approximately A\$60 million).

PBR will acquire all the share capital in AP Brakes from the UK-based AP Group Ltd. AP Brakes is a profitable, high volume drum brake and park brake manufacturer, with a diverse customer base. AP Brakes' sales are approximately €45million.

AP Brakes, which has approximately 340 employees, is located in the province of Savona in Northern Italy.

AP Brakes supplies drum brakes and park brakes for Fiat, Ford and Nissan and has licensees in Turkey, Brazil and Japan.

The plant is currently being expanded to accommodate future growth.

In addition to Fiat, Ford and Nissan, supply will commence to Renault, Land Rover, Toyota, Opel and other Ford platforms between 2004 and 2006.

AP Brakes has patented technology in several key components of the drum brakes and park brakes it manufactures and continues to apply significant resources to research and development.

The acquisition of AP Brakes is consistent with PBR International's strategy to acquire brake and brake related businesses in the European, North American and Asian markets.

For further information:

Mark Jones
Marketing Services Manager
PBR International Limited
Phone: 03 9575 2241
Email: mark_jones@pbr.com.au

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