

Media Release
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**Vita New Zealand Announces Agreement
to Acquire Pacific Brands' Businesses in New Zealand**

A technology-focused New Zealand manufacturer, with a growing appetite for export, is poised to acquire the New Zealand based manufacturing businesses of a listed Australasian consumer giant, when a deal announced today completes.

Vita New Zealand Ltd (www.vita.co.nz) a significant vertically integrated local manufacturer that produces a wide range of foam and fibre based products for both industrial and consumer domestic and export markets - has agreed to purchase part of the New Zealand-based assets of Australian and New Zealand - listed Pacific Brands - including Sleepmaker New Zealand a bed manufacturer, Dunlop Flooring and Dunlop Foams, Pacific Brands' foam manufacturing operation in New Zealand.

"This sort of deal is exactly what our country needs right now: sustainable manufacturing based on an appetite for on-shore and export growth supported by technology and a knowledgeable, efficient kiwi workforce," says Vita Deputy Chairperson Michael Sexton. "Furthermore, we have agreed with Pacific Brands that we will cooperate closely with their Australian businesses and work together on technology advances to continue to improve both our operations."

"Vita is committed to future growth both within NZ and off shore via exports, particularly with furniture. We're very confident we have the skill and determination to consolidate both organisations into a globally competitive NZ based producer."

Vita New Zealand Limited, established in 1976 and originally owned by Skellerup, Vita Australia and Feltex, is majority owned by Rangatira Limited, the investment company associated with the JR McKenzie Trust. Vita is a major furniture and bedding producer and exporter, last year selling \$5 million to export markets including furniture to major Australian chains such as Bedshed, Radio Rentals (a rental furniture group which it services from New Zealand), and Forty Winks. Its first shipment of sofabeds to Harvey Norman's "Domayne" is about to be delivered to Australia.

Pacific Brands is renowned throughout Australasia for its ownership of brands such as Dunlop, Slazenger, Yakka, Bonds, Berlei, Clarks Shoes, Hush Puppies, Sheridan and Holeproof. Vita's purchase means it will take over Pacific Brands, Dunlop innersprung bed manufacturing in Auckland and Christchurch ("Sleepmaker"), Dunlop carpet underlay wholesaling throughout New Zealand and Dunlop foam production plants in Auckland and Christchurch.

"Vita is proud that virtually every New Zealand home already has examples of our manufactured products, such as pillows, mattresses, duvets, sleeping bags, bean bags and sofas.

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“There is no doubt Vita is poised for much bigger opportunities and has the potential to be a global player in the production of foam based products. The purchase of Pacific Brands’ New Zealand manufacturing assets provides us with the scale we need to ensure our skilled workforce and high technology production plants continue to be maintained at the very forefront of technology and knowledge. It will ensure that these manufacturing capabilities will continue and thrive in New Zealand.”

Vita has 400 employees in three separate Enviromark Gold accredited plants located in Auckland, Upper Hutt and Christchurch. The technology employed by Vita in its plants is at the very forefront for these industries. Its foam is used for bedding and furniture and other consumer products, with many of these end products being manufactured by Vita itself. Vita also processes polyester fibre for duvets, pillows and sleeping bags.

“The Pacific Brands businesses employ approximately 240 people who are expected to transfer with the acquired businesses. We look forward to them joining the Vita team,” says Michael Sexton.

Last year Vita sold nearly half a million items to The Warehouse, and is proud to have been a supplier from the first day The Warehouse opened. Vita is also a large supplier of foam-based underlay to New Zealand carpet providers.

The purchase, which is expected to be finalised early in 2008, is subject to Commerce Commission clearance.

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