PACIFIC BRANDS

25 October 2011

Manager Company Announcements
Australian Stock Exchange Limited
Level 4
20 Bridge Street
SYDNEY NSW 2000

Market Information Services
New Zealand Exchange Limited
Level 2, NZX Centre
11 Cable Street
Wellington
New Zealand

Dear Sir/Madam

CHAIRMAN'S AND CEO'S PRESENTATIONS

Please find attached copies of the Chairman's Address and Chief Executive Officer's Address and presentation slides to be presented at, or immediately following, Pacific Brands Annual General Meeting which commences at 10.00 am today.

Yours faithfully
Pacific Brands Limited

John Grover
Company Secretary

Chairman's Address

to the

2011 Annual General Meeting

of

Pacific Brands Limited

Tuesday 25 October 2011

Pacific Brands Head Office, Melbourne

Good morning ladies and gentlemen,

I'm James MacKenzie, Chairman of your company.

Welcome to the 2011 Annual General Meeting.

I have confirmed with the Company Secretary that we have a quorum present and I declare this Annual General Meeting open.

We have [#] shareholders present today representing approximately [x.x%] of the company's issued capital.

Let me start by introducing the Board members, senior executives and the company's auditor.

Joining me on the stage are:

- Sue Morphet, our Chief Executive Officer
- David Bortolussi, our Chief Financial and Operating Officer
- John Grover, our Company Secretary;

And my fellow non-executive directors:

- Peter Bush
- James King, Chair of our Remuneration Committee
- Maureen Plavsic
- Nora Scheinkestel, Chair of our Audit, Business Risk and Compliance Committee; and
- Arlene Tansey

Whilst introducing the Board, I would like to take this opportunity to acknowledge Maureen Plavsic's contribution and commitment to Pacific Brands. Maureen has been on the board for more than seven years and is retiring from the board – effective as of the end of this meeting. Maureen, on behalf of the board and the company – thank you.

I would also like to welcome representatives of our auditor, KPMG.

There are four items of business on today's agenda:

1. The Financial Report

2. The election of a Director

3. The Remuneration Report; and lastly

4. The proposed granting of performance rights to the CEO.

This year in our Annual Report and notice of meeting, we again included an invitation for you to send us questions that you would like us to address today. I will endeavour to cover the questions and issues raised in my report. You will also have the chance to make comment or raise questions as we move through the various resolutions.

After the conclusion of the formal items of business on the AGM agenda, I'll hand over to your CEO, Sue Morphet, for an overview of operating group performance last year, and some comments on recent trading and outlook.

After that, please join us for some light refreshments in the entrance area adjoining this room.

I will now move to **my report.**

This time last year I stood before you and talked of expectations of an improvement in operating earnings in the 2011 financial year and an intention to resume the payment of dividends.

I am pleased to report we have delivered on both fronts.

This has been made possible by the successful and early delivery of the benefits from our Pacific Brands 2010 transformation strategy.

Make no mistake about this – Pacific Brands 2010 has been the difference between your company being in dire straits and its position today, with improved performance and a stronger balance sheet.

It has helped secure the future of our nearly 5,000 employees.

And because of it your company delivered a creditable result in a very difficult environment.

Much has been said about the state of the economy – globally and domestically and the resulting unprecedented conservatism of consumers. The current market is one of the toughest retail markets that the industry has seen for many years and there are no clear signs of a significant overall improvement any time soon.

Despite this your company is now in a strong financial position and this has enabled the company to resume the payment of dividends and to announce a share buy-back of up to 10% of our shares.

Our Pacific Brands 2010 strategy has delivered what was promised and what we needed, and – because of management commitment – delivered early.

In fact we reached the targeted level of cost savings of $150 million, one year ahead of schedule.

And we continue to build and develop the capabilities of our businesses and the people within them.

Sue, her management team and all of our employees are to be commended for their outstanding delivery of the transformation program.

It represented monumental structural change to the business and they implemented it while continuing to drive the ongoing business under extremely difficult market conditions.

It is a significant achievement and the benefits will continue to be enjoyed by your company for many years to come.

As I said a few moments ago the result of all of that good work is that we're in very good shape – and we're going to need to be.

The year ahead will be a very challenging one for all in our sector.

We must face the headwinds of subdued retail conditions as well as those from cotton price increases and de-listings at Kmart which we have explained previously during the year.

Underlying sales are down so far this year and Sue will tell you more about recent trading and the current environment as part of her presentation later.

Our share price performance in the past 12 months reflects the challenging outlook and the current uncertainty in world markets, and that is presently masking some substantial underlying improvements we are making within the business.

Many of our key brands are performing well in a difficult Australian retail market and margins have benefited significantly from the move to increased off-shore sourcing.

The board and senior management believe the strategy we are embarking on is the right one and we continue to work diligently to translate those efforts into improved operating performance.

I would now like to take you briefly through **last year's financial results.**

As expected reported sales were down but reported earnings before significant items were up.

The reported sales result of $1.6 billion was down 7.3% but was heavily impacted by the necessary and foreshadowed structural changes, including business divestments and exits, and by brands being discontinued as part of the Pacific Brands 2010 transformation plan.

Underlying sales - that is, before the impact of acquisitions, divestments and brand discontinuations - stabilised to be flat in the second half and were down 1% for the full year.

Many of our key brands grew throughout the year and the overall decline was largely due to the weak retail environment and discount department store dynamics including the impact of lost sales at Kmart.

It will take time to make up for those lost sales and you may rest assured – profitable sales growth is our top priority.

As part of our growth plans, we are expanding our online presence and you will soon see Bonds go online but Sue will tell you more about that later. This is indeed an exciting initiative for Pacific Brands.

Gross margins in F11 rose over 5 percentage points to more than 47%, benefiting significantly from the transformation benefits flowing from the transition to increased off-shore supply, including improved foreign exchange rates.

The cost of doing business rose by 3.8% to $574 million. We received a shareholder question prior to the AGM asking if this represented good cost control given the significant decrease in sales.

We believe it does – we increased investment in advertising, retail expansion and general capability building: such spending is critical to the long term success and growth of the company.

Salaries are the biggest cost component and many other costs are relatively fixed and subject to inflationary pressure, so to contain the underlying increase to be in line with inflation does represent continued good cost control.

While the Company reported a net loss of $132 million due mainly to non-cash impairment charges, EBITA before significant items was up by 4.6% to just under $190 million. With reduced interest expense due primarily to our strong cash flow and consequent debt reduction, this enabled NPAT and EPS before significant items to both grow by over 14%.

This was a creditable result in a difficult market and Sue, her management team and all of our people are due appropriate recognition for this.

One of the most important achievements this year was our ability to resume paying dividends to our shareholders.

Your board is acutely aware of the importance of dividends so we were very pleased to be in a position to declare a fully franked 6.2 cents per share dividend for the year.

This represented a payout ratio of 56% of net profit after tax pre significant items, and is in line with our stated target to pay out at least 50% of such profits each year.

The company's low gearing – with net debt down to 1.1 times EBITDA at last balance date – and strong cash conversion have also enabled the company to commence an on-market buy-back of up to 10% of our shares.

The buy-back demonstrates our commitment to maximising shareholder value through appropriate capital market initiatives.

Before concluding, there is one other critically important area I want to cover.

Throughout the course of the year and in the lead up to this meeting, we have had various discussions with our shareholders, proxy houses, shareholder representative bodies and other interested parties in relation to various remuneration issues.

I would like to take a moment to share with you some of the issues raised in those discussions and our response to them.

From discussions with shareholders and their representatives and proxy votes already lodged it is apparent the vote on the remuneration report will record more than 25% of votes against its acceptance, and thus constitute a "strike" under the new Corporations Law rules.

We respect the new rules as an important vehicle to give further voice to shareholders.

We also respect the independent views of proxy houses and the shareholder bodies, and understand that they play an important role in corporate governance in financial markets.

We are committed to our ongoing and constructive dialogue with them all.

This year – while the discussions have been detailed – we do not all share common views on the year past's remuneration report.

As outlined today, the 2011 financial year has been a unique year in your company's history.

The early completion of the Pacific Brands 2010 transformation strategy has created a number of special circumstances that your board believed justified the specific remuneration policies and practices implemented over the last 12 months.

That said, we have listened to all of the stakeholders and will take on board all views in our prospective deliberations.

We will not be standing before you this time next year discussing similar issues.

I'd like to take you through the detail of the key concerns raised, and the rationale and thinking behind the remuneration decisions your board made.

The first issue is the decision to open the “gate” on payments on our short term incentive – or STI – scheme.

As part of aligning senior executive remuneration with the interests of shareholders, subject to a limited discretion retained by the board, there is a general pre-condition or “gate”, that EBITA should be in excess of 90% of budgeted EBITA before any STI’s can be paid.

For the 2010/11 year, your board set aggressive budget targets and the 90% gate was very narrowly missed after taking into account the obvious adjustment for divested businesses. Nonetheless, the board chose to exercise its discretion and ‘open the gate’ so that STI’s could be paid. This was noted in the remuneration report which explained the decision by reference to the extremely difficult retail environment, which for us meant the Kmart delisting (not general market conditions), and the impact of input cost increases, mainly the unprecedented spike in cotton prices.

What we should have also emphasised was that the delivery of the transformation program – one year ahead of schedule and despite many thinking it couldn’t be done – was a critical consideration in the board’s decision to open the gate for the payment of STIs. The scale and scope of the transformation should not be underestimated. To deliver it required the injection of significant new talent – some of whom are now direct reports to Sue and who had to be attracted from top-tier companies and incentivised to deliver a change program that many thought was not achievable.

Having opened the gate, the level of STI's awarded varied across individuals and businesses based on performance in relation to various quantitative and qualitative factors.

Your board also took note of the negative shareholder returns over the past 12 months.

Accordingly, the average STI payments in F11 were significantly less than maximum employee entitlements – at around 60% of the maximum possible amounts – and also materially lower than the previous year.

It is clear that some stakeholders see the gate as something that, once set, should not be subject to any discretion.

And we hear that concern.

The F11 opening of the gate was a unique set of circumstances, specific to transformation.

With transformation now largely complete, we can undertake that in future, the opening of the gate will be solely earnings driven.

The next issue I want to address relates to the comparative companies used to help benchmark remuneration levels for the board and senior executives, including Sue as CEO.

It is important to note that the comparator group for this purpose is different from the comparator group for relative TSR performance.

The latter group is based on the ASX 200 exclusive of financial services and resource companies, and is considered meaningful, reliable and representative of what investors compare us against in considering the returns we offer.

For remuneration purposes, however, we focus more tightly on companies more directly comparable to ourselves.

In this benchmarking, we consider similar sized companies but we also include, and more weight is given to, other listed retailers including the likes of Myer and DJs.

It is acknowledged that the current market capitalisations of some of those companies are higher than Pacific Brands, but your board's view is that they represent the most comparable organisations and the ones against which Pacific Brands would have to (and does) compete with for talent.

Colette Garnsey's recent recruitment from David Jones is a prime example of this.

It remains a priority of Pacific Brands to attract, retain and motivate high calibre people to drive your company forward.

We operate in a very competitive market for talent.

That necessitates paying people what they are worth and so we regularly seek input from independent consultants to help us determine appropriate pay rates for our people.

As a result of that process, we are comfortable that the remuneration levels of your board and senior executives, including Sue, are appropriate.

The next issue I want to address relates to the appropriateness of awarding performance rights to Sue and other senior executives given the current level of the share price.

It is important to note that the rights only vest if certain hurdles in terms of absolute EPS growth and relative total shareholder return – meaning share price growth plus dividends – are met over the relevant three or four year period.

This aligns the interests of shareholders and senior management, and ensures that the rights only vest if the performance justifies it.

You should note that, to date, very little has vested under this program given that management has not met these challenging performance hurdles.

Moving on to other questions raised by shareholders in the lead up the AGM, one issue raised related to increases in director’s fees.

There was no increase in director’s fees during F11.

The last increase occurred in the previous financial year and took effect from 1 January 2010, so fees have been fixed for nearly two years and will remain at current levels throughout F12.

Another shareholder raised the question as to whether we should consider the acquisition of, or an association with, Australian companies that produce and sell formal wear. Our general policy is not to comment on any possible acquisitions or divestments, but I can confirm that – whilst we welcome such suggestions – we have no current plans or intentions to expand into that particular area.

The final question I will address relates to a non-remuneration matter, and that is the location of our annual general meeting. Whilst it is acknowledged that our shareholder base is spread around the country and, indeed the world, we are mindful of the costs of conducting the AGM.

Given the small number of shareholders that typically attend the AGM and that the head office and most board members are based in Melbourne, the economics of moving the AGM to, say, Sydney does not quite stack up at this point in time.

However, we certainly remain open to the idea should circumstances change sufficiently in the future.

I believe I have now answered all of the relevant queries we received ahead of the AGM.

There were over a dozen questions posed by a particular ex-employee, the answers to many of which would have been known by that person.

The nature and detail of the questions means they are not appropriate to answer in this forum, but I am seeking to make contact with the person to address the questions raised.

So to conclude, the 2011 result was a credible one in very difficult and challenging retail conditions.

The 2012 financial year is expected to be a challenging one but, having transformed the business, we are now well placed – strategically, operationally and financially – to deal with such challenges and then benefit from any subsequent improvement in market conditions.

With that, I'd now like to move to the formal business of the meeting.

END OF DOCUMENT

PACIFIC BRANDS

CEO's Presentation

to the

2011 Annual General Meeting

of

Pacific Brands Limited

Tuesday 25 October 2011

Pacific Brands Head Office, Melbourne

Thank you James. Ladies and Gentlemen.

As James has said, it has been a very busy and eventful 12 months for Pacific Brands.

Much has been achieved and there is certainly still much to do, but I am pleased to say we are in the best shape we have been in for some time and ready to deal with the real challenges ahead.

James has taken you through the group results and some of the other key topics, including capital management.

I will talk briefly about our results in terms of the divisional performance and provide you with an update on current trading and the outlook.

In F11, Underwear & Hosiery's sales were down 8% but earnings were up 11.4%.

That sales decline was largely due to brand discontinuations.

Bonds was down for the full year, especially due to supply issues in the first half, but managed flat sales in the second half despite some initial impacts from the lost sales at Kmart.

For Pacific Brands as a whole, the sales impact from Kmart in F12 will be material and roughly double the F11 impact.

The majority of this F12 impact will be borne by the Underwear segment.

As we have previously said, it will take some time to make up the lost sales as we build distribution elsewhere. Accordingly, we expect sales in the Underwear group to be down this year.

The Underwear group's margin was up in F11, due mainly to off-shoring benefits, cost management and improved exchange rates.

However, unlike F11, margins are expected to be heavily affected in F12 by cotton price increases.

Workwear continued its good performance last year with sales up 4.6% and earnings up nearly 20%.

This is a well-structured business, with good market share in an attractive market.

It has the leading industrial brands of Hard Yakka and KingGee, and market-leading products and systems in its corporate business.

Even though this group will also have the impact of cotton in this year's result, we have high expectations of Workwear as a major driver of growth for Pacific Brands into the future.

Homewares result was excellent.

For the past few years, Homewares has been in the 'disappointing result – needs work' category.

Not in F11.

Excluding the impact of the divestment of the Sleepmaker and Dunlop Foams businesses, sales rose by 8% and earnings rose by 37%.

Sheridan had a great year – although retail sales have slowed more recently as retail conditions deteriorated, particularly at the premium end of the market.

The "Tontine Fresh" campaign had – and continues to have – a positive impact on the business, and we're using this campaign to reinforce our position in the lead up to Christmas.

Footwear, Outerwear and Sport – now part of our HFO segment – continues to be a challenge.

But the turnaround plan is progressing well.

Excluding the effect of businesses divested in F10, sales fell 11% and earnings were just above break even in F11.

The loss-making bikes business has been divested since year end, and the Sport business has been successfully integrated into the Footwear business.

As a result of our Pacific Brands 2010 transformation strategy we now have a much more simplified and integrated organisational structure.

It’s a very different organisation to what it was before the transformation.

We’ve moved from a cluster of more than 20 autonomous business units to three primary operating groups.

Two of these groups – Underwear and Workwear - are integrated businesses and the third, Homewares, Footwear and Outerwear, or HFO, is a portfolio of five integrated businesses.

HFO combines the remaining elements of Footwear, Outerwear and Sport with the Homewares businesses in a single reporting segment under the leadership of Anthony Heraghty.

I'll talk more about the renamed and restructured Underwear segment in a moment, but under Colette Garnsey's leadership, we've moved to an integrated functional structure supporting key brands, categories, channels and customers.

The other reporting segment is Workwear. It is led by Holly Kramer and has been restructured over the past 18 months to align with our customers and channels, rather than being a collection of autonomous, single-brand businesses, as was previously the case.

Each business unit has its own sales and marketing and human resource functions. The central human resource function was critical during the transformation period, but has now been decentralised to the individual business units so decisions can be taken closer to the source.

These business units are also further supported by some central functional specialists.

Danny Wyatt, the former head of AT Kearney's Australian sourcing practice, leads our Sourcing and Supply Chain.

Danny has teams in Australia, China and Hong Kong, driving our efforts to source and supply quality, reliable product.

Tom Dalianis has been with Pacific Brands for more than 20 years and leads our IT and shared services functions.

Danny and Tom report into David Bortolussi, who also looks after head office related functions including Finance, Legal, Risk, Tax, Treasury and Corporate Development.

The group is now appropriately structured to support the business and our strategy.

The final piece of the transformation is the integration of Bonds and Omni into the Underwear group.

Underwear previously comprised two component businesses, Bonds and Omni Apparel. Prior to that, it had more than half a dozen individual businesses.

Omni comprises the non-Bonds underwear, hosiery and intimate apparel brands such as Berlei, Holeproof, Jockey, Rio, Razzamatazz and Voodoo.

We have now completed the combination of the Bonds and Omni groups' organisational structures.

The complete and effective integration of the two businesses within two months of announcement is a great credit to Colette and her team.

This restructure allows us to be distinctive by brand where we need to be – such as in design and marketing.

Otherwise, it allows us to manage categories more effectively, with a single go-to-market model.

It also allows us to better manage our brands as an overall portfolio, including more appropriately prioritising and maximising the effectiveness of our brand investment.

We are on track in terms of costs and benefits, with one-off restructuring costs of about $15 million and annualised benefits of more than $10 million.

I’d now like to talk you through some of our thoughts and initiatives in the online space.

We are primarily a wholesaler, but roughly 15% of our sales, mainly in Workwear, are Business-to-Business with a further 10% directly with the consumer.

That Business-to-Consumer element has until recently only referred to traditional bricks and mortar retail, including our Sheridan concessions and our clearance network.

As of June, we are now on-line and our presence is increasing.

It’s an exciting opportunity.

On-line currently has a small share of the overall retail market – generally around 5%.

But it is growing rapidly and will continue to do so.

97% of Australian internet users have shopped on-line.

25% of Australians buy on-line at least once a week.

As a branded goods company, it is imperative that we are contemporary and relevant. This applies to our products and our communication with end consumers.

We want to engage with our consumers and give them the opportunity to access our products at their convenience.

Our on-line journey began in June with the launch of Sheridan and Volley.

And initial trading has exceeded our expectations.

Earlier this month we went on line with Mossimo and, I am very excited to announce that within the next couple of weeks we expect to be on-line with Bonds.

This will mean our number one and two brands – Bonds and Sheridan – will both be online.

We already have a tremendous on-line connectivity with Bonds' consumers.

Bonds has more than 600,000 Facebook fans – one of the ten largest Facebook groups in Australia for branded goods.

The Bonds baby search website has had 2.1 million visits this year.

We see on-line as complementary to our existing sales distribution network. Anecdotal and other research suggests on-line shoppers are up to five times more likely to make a purchase on their next in-store visit, thus complementing our wholesale network.

I encourage you all to keep an eye on the papers and the TV for confirmation of the launch, and we look forward to receiving your on-line orders!

Market conditions have become more challenging so far this year and we expect this to continue in the near term.

Underlying sales and earnings are down in the year to date, and below our initial expectations, even excluding the impact of lost sales at Kmart.

Underwear sales have been particularly impacted. This is due mainly to the structural change in the discount department store channel and continued competition from housebrands.

Pleasingly, Bonds sales excluding Kmart are growing within its current customer base.

HFO performance has been mixed.

The Footwear & Sport, and Sheridan businesses are finding market conditions tough. Tontine, Outerwear and Dunlop Flooring are generally trading in line with expectations.

Workwear is also trading in line with expectations.

The second quarter is the most important quarter of the year and we are working to maximise sales activity in a difficult climate.

Underlying sales, earnings before interest and tax, and net profit after tax (before significant items) are all expected to be down on F11, with earnings in the first half materially lower than the prior corresponding period.

This is due to a number of negative factors, including continuing weak retail conditions, the changes to our discount department store customer base and substantial input cost increases, particularly cotton prices.

We are mitigating these factors with continued investment in our brands, broadening our distribution and continuing cost control.

The second half is expected to benefit from the timing of the impacts of hedged foreign exchange rates, some relief from cotton prices and benefits from the Underwear restructure.

We are also managing inventory closely. There will be the usual December inventory build-up, as well as additional build-up due to cotton cost pressure and an early Chinese New Year.

Due to the transformation and the work we have done, the company remains well placed to deal with the challenges ahead of it and then benefit from any improvement in market conditions.

In closing, I would like to thank you all for your support during what has been a very challenging and important period for the business, our employees and, you, our shareholders.

I would like to join the Chairman in thanking our employees for the enormous contributions they have made and are continuing to make in order to build a stronger business to help realise your company's full potential.

With that, I will hand back to James and I look forward to meeting you in a moment over a coffee in the entrance area.

Thank you.

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2011 Annual General Meeting

25 October 2011

James MacKenzie, Chairman

PACIFIC BRANDS

Agenda

- Welcome
- Chairman's address
- Formal business
  1. Financial Report
  2. Re-election of Director
  3. Adoption of Remuneration Report
  4. Grant of Performance Rights to CEO
- Chief Executive Officer's presentation

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Chairman’s address for the financial year ending 30 June 2011

James MacKenzie
Chairman

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Key points

- Turnaround ongoing
  - Creditable result in difficult environment
  - Strong financial position and cash flow
  - Dividends resumed and buy-back commenced

- Pacific Brands 2010 has delivered
  - Cost benefits achieved ahead of schedule
  - Capability building continues
  - Major restructuring almost complete

- Outlook
  - F12 underlying sales and earnings are expected to be down
  - Due to PB2010 Transformation strategy, well placed to deal with near term challenges and benefit from any improvement in market conditions

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Group results

- Reported sales down as expected but earnings before significant items up
  - Sales $1,614.6m, down 7.3% (underlying sales down 1%)
  - Gross margin 47.1%, up 5.1% pts
  - CODB[1] $574.3m, up 3.8%
  - EBITA[1] $189.7m, up 4.6%
  - EBITA margin[1] 11.7%, up 1.3% pts
  - NPAT[1,2] $103.4m, up 14.5%
  - EPS[1] 11.1 cps, up 14.4%

1. Before Other Expenses that are individually significant as disclosed in Note 4 to the Financial Statements ("Significant Items")
2. After deducting minority interests

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Dividends and Capital Management

Dividends

- Resumption of dividends, full year dividend of 6.2cps fully franked
- Payout ratio of 56% (2H11: 64%) in line with target payout ratio at least 50% of NPAT (before significant items)

Capital management

- Improved financial position over the past two years
  - Net debt reduced, key facilities extended
  - Strong operating cash flow
- Capital structure
  - Gearing of 1.1x is low
  - Intend to optimise capital structure and return surplus cash
- Buy-back
  - Best use of surplus funds
  - On-market purchase of up to 10% of issued capital
  - Opportunistic

Stakeholder consultation

Stakeholders consulted

- Proxy houses
- Shareholder representative bodies
- Investors
  - Institutional
  - Retail

Issues

- Short term incentives (STIs)
- Board and senior executive remuneration
- Performance rights
- Other

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Formal business

James MacKenzie
Chairman

Item 1 – Financial report

- To receive and consider the financial report of the Company for the financial year ended 30 June 2011 and the reports of the Directors and Auditor

Item 2 – Re-election of Director

- Mr James MacKenzie

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Item 2 – Re-election of Director (Contin.)

Proxy Results – Election of Mr James MacKenzie

	Shares voted	
	Number	**% of total**
Shares to be voted in favour	555,819,638	92.83
Shares to be voted against	38,976,137	6.51
Shares to abstain from voting	508,125	n/a
Shares open to proxy holders	3,961,687	0.66
	599,265,587	100.00

Item 3 – Adoption of Remuneration Report

- To adopt the Remuneration Report as set out in the Annual Report for the financial year ended 30 June 2011

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Item 3 – Adoption of Remuneration Report (Contin.)

Proxy Results – Adoption of Remuneration Report

	Shares voted	
	Number	**% of total**
Shares to be voted in favour	279,561,272	46.90
Shares to be voted against	315,060,107	52.85
Shares to abstain from voting	1,856,003	n/a
Shares open to proxy holders	1,486,558	0.25
	597,963,940	100.00

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Item 4 – Grant of Performance Rights to CEO

- To grant performance rights (1,873,807 effective 1 July 2011) to Ms Sue Morphet under the Pacific Brands Limited Performance Rights Plan

Item 4 – Grant of Performance Rights to CEO (Contin.)

Proxy Results – Grant of Performance Rights to the Chief Executive Officer

	Shares voted	
	Number	**% of total**
Shares to be voted in favour	584,354,832	97.97
Shares to be voted against	10,645,179	1.78
Shares to abstain from voting	1,556,281	n/a
Shares open to proxy holders	1,461,558	0.25
	598,017,850	100.00

CEO's presentation

Sue Morphet
Chief Executive Officer

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Key points

- F11 divisional performance overview
  - Underwear & Hosiery: sales down but earnings up
  - Workwear: continued good performance
  - Homewares: excellent result
  - Footwear, Outerwear & Sport: challenging, turnaround plan progressing
- Final wave of major restructure almost complete
- Distribution being broadened through on-line (including Bonds)
- Underlying sales and earnings
  - Down year to date
  - F12 to be below F11

New organisational model

CEO
Sue Morphet

CF&OO
David Bortolussi

Shared Services
GM Tom Dalianis

Sourcing and Supply Chain
GGM Danny Wyatt

Underwear GGM Colette Garnsey	**Workwear** GGM Holly Kramer	**Homewares, Footwear & Outerwear** GGM Anthony Heraghty
Women's underwear **Baby, Kids** **Men's underwear** **Socks, Hosiery** **Intimates** **Clothing**	**Corporate / B2B** **Wholesale** **Retail** **NZ / International**	**Sheridan** **Tontine** **Flooring** **Footwear & Sport** **Outerwear**

Market place

Note: Effective 1 July 2011, PBG will have 3 reportable segments being Underwear, Workwear and Homewares, Footwear & Outerwear

Underwear transformation

- Bonds and Omni Apparel[1] being integrated in 1H12 (renamed Underwear)
- Single functional structure successfully trialled through earlier Omni Apparel consolidation
- Leverage competency, capability and insight across all categories
- Better category management, go-to-market model and resource utilisation
- Brand distinctiveness maintained
- Timing right
- Expected one-off cash restructuring costs of c.$15 million in F12

1. Non-Bonds Underwear & Hosiery brands operating segment

Online development

Potential online opportunity

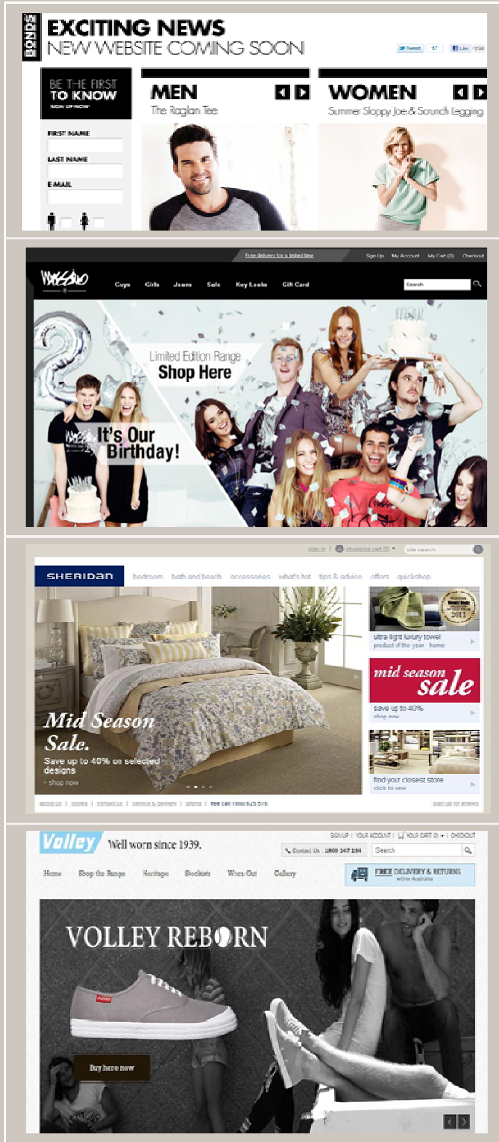
- Online share small, but growing rapidly
- Contemporary brands, contemporary presence

PBG online

- June 2011 – Sheridan, Volley
- October/November 2011 – Mossimo, Bonds

Bonds online

- Existing online relationship with consumers
- Complementary to existing distribution



Trading update

- Market conditions have become more challenging so far this year and we expect this to continue in the near term
- Underlying sales and earnings are down year to date and below our initial expectations, even excluding the impact of lost sales at Kmart
- Underwear sales have been particularly impacted. This is due mainly to the structural change in the discount department store channel and continued competition from housebrands. However, Bonds sales excluding Kmart are growing within its current customer base
- HFO performance has been mixed
  - Footwear & Sport and Sheridan are finding market conditions tough
  - Tontine, Outerwear and Dunlop Flooring are generally trading in line with expectations
- Workwear is also trading in line with expectations
- The second quarter is the most important quarter of the year and we are working to maximise sales activity in a difficult climate

F12 Outlook

- Underlying sales, earnings before interest and tax, and net profit after tax (before significant items) are all expected to be down on F11 with earnings in the first half materially lower than the prior corresponding period due mainly to:
  - Continuing weak retail conditions
  - Changes to our discount department store customer base
  - Substantial input cost increases, particularly cotton prices
- We are mitigating these factors with continued investment in our brands, broadening our distribution and continuing cost control
- The second half is expected to benefit from:
  - Improved hedged foreign exchange rates
  - Some relief from cotton prices
  - Underwear restructure
- We are also managing inventory closely. There will be the usual December inventory build-up, as well as additional build-up due to cotton cost pressure and an early Chinese New Year
- Due to the transformation and the work we have done, the company remains well placed to deal with the challenges ahead of it and then benefit from any improvement in market conditions

PACIFIC BRANDS

Definitions

- CODB – operating expenses (freight & distribution, sales, marketing & advertising and administration) below gross margin
- EBITA – earnings before interest, tax, amortisation of acquired finite life intangibles and significant items
- Gearing – Net debt / LTM EBITDA (annualised for acquisitions) and before adjusted significant items
- Gross Margin – gross profit plus other income
- Interest cover ratio – (LTM EBITDA before adjusted significant items - Capex) / Adjusted net interest
- Inventory, Debtors and Creditors turns / days – calculated on a 3 point average
- LTM – Last Twelve Months
- Operating Cash flow (OCFPIT) – cash flow from operations before interest and tax and significant items
- ROCE – Return on Capital Employed (EBITA / CE) before significant items
- Underlying sales – reported sales less sales from acquisitions, divested businesses, business held for sale and brands and labels subject to discontinuation