

24 June 2016

Manager Company Announcements
Australian Securities Exchange
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

SCHEME OF ARRANGEMENT PRESENTATION

Please find attached a copy of the addresses to be given by the Chairman and related presentation slides to be presented at a meeting of the Company's shareholders convened to consider the proposal from Hanesbrands Inc. to acquire (through its subsidiary) all of the shares in Pacific Brands via a Scheme of Arrangement. The meeting of the Company's shareholders commences at 10.00 am today.

Yours faithfully
Pacific Brands Limited



John Grover Company Secretary



**Chairman's address
to the
Pacific Brands Limited
Scheme Meeting**

Friday 24 June 2016
Melbourne

Good morning ladies and gentlemen,

Introduction

I'm Peter Bush, Chairman of your Company and I welcome you to this important Scheme Meeting for Pacific Brands.

Before we proceed, I ask that any mobile devices are turned off.

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

Joining me on stage are:

- David Bortolussi, our Chief Executive Officer
- David Muscat, our Chief Financial Officer
- John Grover, our General Counsel and Company Secretary

And my fellow non-executive directors:

- Stephen Goddard, Chair of our Audit, Business Risk and Compliance Committee
- Kiera Grant
- James King
- Helen Nash, Chair of our People & Remuneration Committee;
and
- Linda Nicholls AO

There will be an opportunity to ask questions during the meeting, should you so wish.

Overview of the Scheme

Ladies and Gentlemen, today is a significant day in the history of Pacific Brands. Today, shareholders will be asked to vote on a proposed scheme of arrangement pursuant to which a subsidiary of Hanesbrands Inc. will acquire 100% of Pacific Brands' shares for A\$1.15 per share in cash, comprising:

- a fully franked special dividend of 9.4 cents per share; and
- cash consideration under the scheme of \$1.056 per share

Hereafter I will refer to this arrangement as the Scheme.

Pacific Brands is Australia's leading underwear and home furnishing company. The Scheme proposal is an acknowledgement of the work done over the past two years that has seen the Board and management team under David Bortolussi's leadership reshape and simplify the business to focus on our highest quality brands and improve operational performance.

Our people are some of the best in the industry and they are central to what makes this company and our brands so special. I would like to take this opportunity to acknowledge and thank Pacific Brands' current and past employees. I would also like to thank my fellow Directors and our executive team for their contribution.

And finally I would like to thank you, our shareholders, for your support.

The purpose of this meeting is to consider and, if thought fit, to pass the following resolution, which is set out in the notice of meeting contained in Annexure D of the Scheme Booklet:

“That, pursuant to and in accordance with section 411 of the Corporations Act 2001, the Scheme of Arrangement (the terms of which are described in the Scheme Booklet of which the notice convening this meeting forms part) is agreed to (with or without modification as approved by the Supreme Court of Victoria).”

In order for the resolution to be passed, it must be agreed to by:

- a majority in number of shareholders of Pacific Brands present and voting at the meeting (either in person or by proxy); and
- at least 75% of the total number of votes cast on the resolution at the meeting by shareholders of Pacific Brands present and voting at the meeting (either in person or by proxy).

Reasons to vote in favour of the Scheme

Your Board of Directors spent significant effort considering and negotiating the offer from Hanesbrands Inc. This included the Board undertaking a range of analyses to understand the value of the company on a standalone basis and alternative strategic options.

Your Directors and the management team also facilitated a thorough due diligence process conducted by Hanesbrands Inc., which resulted in the Scheme being proposed to shareholders today.

The Scheme Booklet sets out the numerous reasons why the Pacific Brands Board recommends you vote in favour of the Scheme, and these are summarised on this page.

The Scheme is compelling for shareholders, representing attractive value for your shares. Furthermore, Hanesbrands Inc. can provide Pacific Brands with the opportunity to accelerate the growth of our iconic brands, which will deliver positive opportunities for our employees, customers and consumers.

The Independent Expert, Grant Samuel & Associates, has also concluded that the Scheme is fair and reasonable, and therefore is in the best interests of shareholders in the absence of a superior proposal. A copy of the Independent Expert's Report is included in Annexure A of the Scheme Booklet.

The Board can confirm that no competing proposal has been received to date by Pacific Brands and the Pacific Brands Directors are not in discussions with any other interested third parties.

I can also provide an update on Pacific Brands' application to the Australian Taxation Office, requesting a Class Ruling to confirm the key taxation implications of the Scheme. The ATO has provided the company with a draft Class Ruling, the content of which is consistent with the general overview of the tax implications contained in the Scheme Booklet, including the implications of the fully franked Special Dividend. I note that the draft Class Ruling is not legally

binding on the ATO and only a final Class Ruling can be relied on by Scheme Shareholders. Pacific Brands expects the final Class Ruling to be issued in early August. When this is released, it will be available on the ATO website.

Your Directors have carefully considered the proposed Scheme and unanimously recommend that shareholders should vote in favour of the resolution. Each Director intends, in relation to any shares held or controlled by them, to vote in favour of the Scheme at today's meeting.

Why you may wish to vote against

Although the Scheme is recommended unanimously by your Directors, and the Independent Expert has concluded that the Scheme is in the best interests of Pacific Brands Shareholders, factors which may lead you to consider voting against the Scheme are set out in the Scheme Booklet.

Timetable to implementation

If the Scheme is approved by Pacific Brands shareholders, the Second Court Hearing will take place at 2.00pm on Monday, 27 June 2016 at the Supreme Court of Victoria. The Court's approval of the Scheme is the final condition of the Scheme.

If the Court approves the Scheme, a copy of the Court order approving the Scheme will be lodged with ASIC and the Scheme will become effective. Pacific Brands will apply to the ASX for shares to be suspended from official quotation on the ASX from close of trade on this day.

Shareholders on the register at 7.00pm on Thursday, 30 June 2016 will be entitled to receive the special dividend of 9.4 cents per share, expected to be paid on Thursday, 7 July 2016. Shareholders on the register at 7.00pm on Friday, 8 July 2016 will be entitled to receive the cash consideration of \$1.056 per share, expected to be paid on Friday, 15 July 2016.

Scheme Meeting

Recommended proposal from Hanesbrands Inc.

24 June 2016

Peter Bush, Chairman

Overview of the Scheme

- On 28 April 2016, Pacific Brands entered into a Scheme Implementation Deed with Hanesbrands Inc. (Hanesbrands) pursuant to which a subsidiary of Hanesbrands will acquire (by way of scheme of arrangement) 100% of Pacific Brands shares for A\$1.15 per share in cash, comprising:
 - a fully franked special dividend of \$0.094 per share; and
 - cash consideration under the scheme of \$1.056 per share
- The Scheme Meeting is asked to consider, and, if thought fit, to pass the following resolution:

“That, pursuant to and in accordance with section 411 of the Corporations Act, the Scheme of Arrangement (the terms of which are described in the Scheme Booklet of which the notice convening this meeting forms part) is agreed to (with or without modification as approved by the Supreme Court of Victoria).”
- For the Scheme to proceed, the Scheme Resolution must be passed by:
 - a majority in number (more than 50%) of Pacific Brands Shareholders who vote on the Scheme Resolution; and
 - at least 75% of the total number of votes cast on the Scheme Resolution

Reasons to vote in favour of the Scheme

- ✓ You will receive certain value for your investment in Pacific Brands
- ✓ The total cash payments represent compelling value, including an attractive acquisition multiple relative to comparable transactions, an attractive premium over trading in recent periods, a 265% total shareholder return during FY16 and the highest closing trading price of Pacific Brands Shares in over 5 years
- ✓ You will not incur any brokerage charges on the transfer of your Pacific Brands Shares if the Scheme proceeds
- ✓ If the Scheme does not proceed, Pacific Brands' share price may fall and you will continue to be subject to the risks and uncertainties associated with Pacific Brands' business and general market risks
- ✓ The Independent Expert has concluded that the Scheme is in the best interests of Pacific Brands shareholders in the absence of a superior proposal
- ✓ No competing proposal has been received
- ✓ Your Directors have carefully considered the proposal and unanimously **recommend that you vote in favour of the Scheme**. Your Directors intend to vote all shares held or controlled by them in favour of the Scheme

Why you may wish to vote against

- You may disagree with the Pacific Brands Directors' unanimous recommendation and the Independent Expert's conclusion and believe that the Scheme is not in your best interests
- You may prefer to participate in the future financial performance of the Pacific Brands business
- You may wish to maintain your investment profile
- The tax consequences of the Scheme for you may not suit your financial position
- You may consider that there is potential for a Superior Proposal to be made in the foreseeable future

Timetable to implementation

If the Scheme is approved by Pacific Brands shareholders:

- Second Court Date for approval of the Scheme Monday, 27 June 2016
- Effective date – last day of trading in PBG shares Tuesday, 28 June 2016
- Special Dividend Record Date 7.00pm (AEST) on
Thursday, 30 June 2016
- Special Dividend Payment Date Thursday, 7 July 2016
- Scheme Record Date for determining entitlements
to Scheme Consideration 7.00pm (AEST) on
Friday, 8 July 2016
- Implementation Date: Payment of Scheme
Consideration to Scheme Shareholders Friday, 15 July 2016