

8 December 2008

Ms Julia Kagan
Senior Advisor
ASX Markets Supervision Pty Ltd
Level 45
South Tower
525 Collins Street
MELBOURNE VIC 3000



Dear Julia

Price Query

I refer to your letter of 5 December 2008 and, adopting the numbering of that letter, respond as follows:

1. No.
2. Not applicable.
3. No.
4. No.
5. The Company believes that recent weakness in the trading price of the Company's securities is a result of a number of factors impacting investor sentiment towards the Company including deteriorating economic and retail conditions, volatility of the Australian dollar and speculation around the Company undertaking an equity capital raising. The Company can confirm it is currently not considering an equity capital raising, but given the continuing deterioration in economic and retail conditions, it is currently considering its dividend policy. The Company will update the market on its considerations as soon as they are completed.
6. Yes.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'John Grover'.

John Grover
Company Secretary



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5 December 2008

Mr John Grover
Company Secretary
Pacific Brands Limited
Hawthorn Victoria 3122

By email only

Dear John

Pacific Brands Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from 75.5 cents at the close of trade on Monday 1 December 2008 to a low of 59 cents as at the time of writing today.

In light of the price change, please respond to each of the following questions.

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?
2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

Please note, if the answer to question 1 is yes and an announcement cannot be made immediately, you need to contact us to discuss this and you need to consider a trading halt (see below).

3. Is there any reason to think that there may be a change in the Company's operating profit before abnormal items and income tax so that the figure for the half year ending 31 December 2008 would vary from the previous corresponding period (or any update provided to the market) by more than 15%? If so, please provide details as to the extent of the likely variation.
4. Is there any reason to think that the Company may record any material abnormal or extraordinary item for the half year ending 31 December 2008? If so, please provide details.
5. Is there any other explanation that the Company may have for the price change in the securities of the Company?
6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

Your response should be sent to me by return e-mail or by facsimile on facsimile number 03 9614 0303. It should not be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. EDST) on Monday, 8 December 2008.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a suitable form and separately address each of the questions asked. If you have any queries or concerns, please contact me immediately.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

In responding to this letter you should consult listing rule 3.1 and Guidance Note 8 – Continuous Disclosure: listing rule 3.1.

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond by the time requested, or if the answer to question 1 is yes and an announcement cannot be made immediately, you should consider a request for a trading halt in the Company's securities. As set out in listing rule 17.1 and Guidance Note 16 – Trading Halts we may grant a trading halt at your request. We may require the request to be in writing. We are not required to act on your request. You must tell us each of the following.

- The reasons for the trading halt.
- How long you want the trading halt to last.
- The event you expect to happen that will end the trading halt.
- That you are not aware of any reason why the trading halt should not be granted.
- Any other information necessary to inform the market about the trading halt, or that we ask for.

The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. If a trading halt is requested and granted and you are still unable to reply to this letter before the commencement of trading, suspension from quotation would normally be imposed by us from the commencement of trading if not previously requested by you. The same applies if you have requested a trading halt because you are unable to release information to the market, and are still unable to do so before the commencement of trading.

If you have any queries regarding any of the above, please let me know.

Yours sincerely

[Sent electronically without signature]

Julia Kagan

Senior Adviser, Issuers