



9 December 2008

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

Market Information Services  
New Zealand Exchange Limited  
9<sup>th</sup> Floor  
ASB Tower  
2 Hunter Street  
Wellington  
New Zealand

## **PACIFIC BRANDS ANNOUNCES CAPITAL MANAGEMENT INITIATIVES**

Pacific Brands has today announced capital management initiatives it believes are a prudent response to the continuing deterioration in economic and retail conditions.

The Board believes that maintaining a dividend of 17 cents per share is not appropriate in the current environment. Given increased uncertainty, the Board has determined that it is in the best interests of shareholders to preserve capital and repay debt.

Therefore, the Board has determined:

- to pay a dividend of 3 cents per share in respect of the half year ending 31 December 2008. The Board expects to pay a dividend of a similar amount in respect of the full-year ending 30 June 2009.
- to underwrite the Dividend Reinvestment Plan (DRP) for at least the next two dividends
- to continue driving the restructure of the Company's operations, improving the efficiency of the business.

Pacific Brands Chief Executive Officer, Sue Morphet said "The Board's decision to make changes to our dividend policy and introducing an underwriting of our DRP is a prudent and pragmatic response to the continuing decline in market conditions".

Further, the Company plans to detail its progress in the restructuring of its operations and the resulting improvements in the efficiency of the business, at the time of its half-year financial results release in February 2009.

For further information:

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