23 October 2012

Manager Company Announcements
Australian Stock 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

AGM PRESENTATIONS

Please find attached copies of the addresses to be given by:

- the Chairman;
- the Chief Executive Officer; and
- the Chief Financial & Operating Officer

and related presentation slides to be presented at Pacific Brands Annual General Meeting which commences at 10.00 am today.

Yours faithfully
Pacific Brands Limited

John Grover
Company Secretary

PACIFIC BRANDS

Chairman's Address

to the

2012 Annual General Meeting

of

Pacific Brands Limited

Tuesday 23 October 2012

Melbourne

Good morning ladies and gentlemen. I certainly hope you enjoyed seeing a selection of some of our recent marketing campaigns on the screen prior to the commencement of the meeting. We'll talk more about some of those campaigns and the importance of innovation and marketing to our business later.

Introduction

I'm Peter Bush, Chairman of your Company.

Welcome to the 2012 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:

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

And my fellow non-executive directors:

- James King, Chair of our Remuneration Committee
- James MacKenzie

- 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 James MacKenzie's excellent contribution to Pacific Brands as our Chairman for the last 4 years. I also thank him for assisting in a smooth handover to me as the new Chairman.

I would also like to introduce the other members of our senior executive team here today. Sitting in the front row we have:

- Anthony Heraghty, the head of Underwear; and
- Matt Claughton, the head of Workwear.

Martin Matthews, the head of Homewares, Footwear and Outerwear (or HFO as we call it), is currently overseas and so is unable to attend.

Last, but certainly not least, I'd like to also welcome representatives of our auditor, KPMG.

After my Chairman's address, you'll hear from David Bortolussi regarding last year's financial result. You'll then hear from John Pollaers who will provide some comments on the outlook for the current financial year, and share his initial thoughts and observations as the incoming CEO.

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

1. The Financial Report

2. The re-election of Directors

3. The Remuneration Report

4. Remuneration arrangements for the incoming CEO; and lastly

5. The adoption of the proportional takeover provision.

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.

At the conclusion of the meeting, please join us for some light refreshments in the adjoining area.

I will now move to my report.

2012 result

The last year has been one of the more challenging periods in the Company's history. The tough retail environment made trading conditions difficult and there are no obvious signs of the trading environment having improved since year end or that it will improve substantially in the near term. Last year these conditions also coincided with the impacts of the Kmart exit and unprecedented cotton price volatility. All of this contributed to a decline in operating earnings before significant items of approximately 30%. In the context of the actions taken in response to these essentially external headwinds – including continued rationalisation of the brand portfolio and cost reduction – we believe the result was a creditable one in the circumstances. Reported earnings outcomes were also heavily impacted by a number of largely non-cash significant items not relating to ongoing operations which David will address further in his presentation.

Operating cash flow, however, remained strong through effective working capital management. That, combined with surplus property sales, enabled us to reduce net debt to under $200 million by year end.

Much work has been done and much has been achieved in the last few years, but there is also still more to do.

Our decisions in connection with the Pacific Brands 2010 transformation program to focus on a tighter portfolio of brands, increase sourcing off-shore and manage with a leaner cost base have supported the 2012 operating result. More importantly, they have positioned the Company for the next phase of the turn around as we continue to focus on improving the long term competitiveness of the business. It's clear that the vagaries of the retail trading environment will persist for a while yet and our challenge in this environment is to stabilise the business and then get to a position of continued top line growth with a sustainable earnings platform.

Change in CEO

I would like to pay tribute to our previous CEO, Sue Morphet. In her 5 years as CEO Sue played a major role in transforming the Company. In doing so she had to manage some of the toughest challenges a chief executive ever meets. She has the utmost respect of the Board and, I know, everyone in the Company, and we thank her for her significant contribution.

Our new CEO is John Pollaers, and you'll hear from him in a few moments. In John, we are confident we have the right person to lead the Company going forward. John is well known for his leadership skills and his ability to motivate and galvanise a team. He sets clear strategic directions and focuses on delivering results, and has a terrific record of managing and building great brands.

John's appointment signals that rigour and focus will be brought aggressively to bear on to our strategic priorities that John will talk about later.

Response to 2011 first strike

I would now like to address our response to last year's 'first strike'.

At last year's AGM the 2011 Remuneration Report received a 'first strike' under the new executive remuneration laws.

Base salaries and remuneration strategy and structures for 2012 were already in place when the Company received its first strike vote.

The Board has since reflected on shareholder feedback received, including comments at last year's AGM, and has taken special care to ensure that, where possible, it has addressed that feedback.

I would like to briefly draw your attention to some of the decisions that your Board has taken in respect of remuneration outcomes for 2012 and remuneration structures for 2013.

Firstly, despite a number of major strategic and operational objectives being met, the Board determined that it would not approve payment of the business performance component of the short term incentive to any employee of the Company for 2012, as key pre-determined financial criteria, particularly sales and earnings, were materially less than the targets set. The Board also determined that for 2012 it was not appropriate to approve payment of the personal short term incentive component to senior executives.

You should also note that in 2012 no performance rights vested under the Company's long term incentive plan.

Secondly, in framing the remuneration structure for 2013, the Board has also assessed the Company's remuneration arrangements in the context of the Company's reduced size and market capitalisation and in recognition of the ongoing difficult trading conditions. As a consequence:

- the base and committee fees payable to the Company's non-executive directors were reduced by 25% effective 1 July 2012

- a salary freeze has been imposed on senior management, except where the senior manager has moved into a new and / or more complex role; and
- finally, the short term incentive opportunity for senior management has been reduced by 50% at the target level of performance.

The Company operates in a very competitive and challenging segment of the Australian economy. We are very focussed on establishing continued top line growth with a sustainable earnings platform. Your Board will continue to ensure we have a management team properly led, rewarded and incentivised to deliver against this vision.

Conclusion

So to conclude, the Board has great confidence in the capacity of our brands to be resilient in this tough economic environment. We believe in and have great confidence in our people. We are excited about the future, and are confident that we are well placed to deal with the near term challenges and benefit from any improvement in market conditions.

With that, I'd now like to invite David Bortolussi to present to you on last year's financial result. Thanks David.

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PACIFIC BRANDS

Chief Financial & Operating Officer's Presentation

to the

2012 Annual General Meeting

of

Pacific Brands Limited

Tuesday 23 October 2012

Melbourne

Thank you Peter, and good morning Ladies and Gentlemen.

As Peter said, 2012 was one of the most challenging years in the Company's history. Against that backdrop, reported sales were down 18% mainly due to the impact of:

– prior year business divestments, being the sale of Sleepmaker, Dunlop Foams and our Bikes business;
– residual brand discontinuations pursuant to the PB2010 transformation program;
– a change in Kmart's strategy which substantially reduced the scale of our business with this customer; and finally
– a 4.3% decline in underlying sales ex-Kmart reflecting challenging retail market conditions

Reported earnings outcomes were heavily impacted by a number of largely non-cash significant items not relating to ongoing operations which I will come back to and explain shortly. The reported loss after tax was $451 million. The operating result, however, as measured by earnings before interest and tax (or EBIT) before significant items was a profit of $129 million which was at the higher end of the guidance range provided to the market, or $73 million after interest and tax.

Operating cash flow remained strong through effective working capital management and – together with proceeds from the sale of surplus properties – we were able to reduce net debt by nearly $40 million to $189 million at 30 June 2012.

A final dividend of 2.5 cps was declared, which together with the interim dividend of 2 cents brought the total dividend to 4.5 cents fully franked representing a payout ratio of 56% consistent with 2011.

Turning now to the significant items which have materially impacted our reported result. During the year, the Company wrote-off $503m of goodwill in connection with its regular review of the carrying value of intangible assets. $389m of goodwill was written off in Underwear at the half, followed by $63m and $51m in Homewares and Workwear respectively at the full year. The write downs are non-cash and were due to various market and other factors specific to each business which have impacted current performance and growth expectations, and hence the assessed recoverability of the assets.

In addition, there were several asset sales which largely offset each other, and finally the Company also incurred cash restructuring costs of $31 million mainly related to the integration of Bonds and Omni (being the non-Bonds underwear business), the formation of HFO, the Underwear distribution centre consolidation and other corporate and functional restructuring.

I'll now comment briefly on the result in terms of each of our operating groups before the impact of significant items which I have just explained.

Underwear's sales were down 16% and EBIT before significant items was down 32%.

Bonds is over half of the Underwear division and its sales were up excluding the impact of lost sales at Kmart. I am pleased to say that growth has continued into the new financial year, aided by strong customer support – and – increasing sales through our online site, which was launched in November last year, and in our recently opened Bonds stores. We currently have 2 Bonds stores in operation at Doncaster and Southland with several more planned to open by the end of the year, including one at Fountain Gate this week.

We had some great and innovative marketing campaigns during last year. The Bonds "12 Days of Christmas campaign" – which you may have noticed playing before the meeting – was very successful and helped boost Christmas sales. On the screen here you can also see a shot of one of our Brand Ambassadors, Pat Rafter, in relation to the Birthday Project where over 90,000 Australians uploaded their photos to wearebonds.com.au. Bonds' customer database grew by over 30% as part of that campaign. We were also very proud to see that Nielsen research identified Bonds as one of Australia's top 10 'superbrands' and the number 1 apparel brand in Australia.

Other notable achievements during 2012 were the launch of Berlei online which is growing in awareness, and the consolidation of our Underwear distribution centres into a single facility in Melbourne.

During the year, Bonds strong trading performance was unfortunately more than offset by the performance of some of our other brands – particularly Razzamatazz and Rio. Razzmatazz sales have now stabilised but sales for Rio continue to be below expectations.

EBIT margins declined last year due to input cost pressures, but improved in the second half due to benefits from the integration of Bonds and Omni.

Workwear sales declined 2% last year but EBIT before significant items declined by over 20% due to input cost pressures, tighter customer procurement practices, competitive intensity and an increased allocation of shared costs.

Generally speaking we believe we held or even gained share in a tough market which was particularly soft in the second half. We did this by continuing to innovate across our business with our leading brands. The launch of Hard Yakka Legends and King Gee Tradies denim ranges, which created a new 'work denim' category, are just two examples of this innovation. We also continued to work hard on retaining our existing customers and winning new business in the B2B channel.

Overall, sales were impacted late in the year by lower business confidence, a slowdown in the resources sector and reduced government spending. The small-to-medium business sector was particularly impacted.

Given that the decline was most noticeable from around March or April, current sales performance year-to-date is cycling stronger market conditions and current year sales performance is reflecting this.

HFO sales and EBIT before significant items were down 29% and 33% respectively, with results heavily impacted by the divestments of the Sleepmaker, Dunlop Foams and Bikes businesses which I mentioned earlier.

Sheridan performed relatively well last year, with sales growth in boutique stores, factory outlets and online more than offsetting the decline in wholesale and concessions. However, Tontine and Flooring were impacted by increased competitive intensity and soft market conditions.

Similarly, second tier brands in Footwear and Sport continued to struggle in the current environment, but our premium portfolio of owned and licensed brands was more robust.

Outerwear sales have stabilised, underpinned by continued growth from Mossimo.

Notwithstanding challenging market conditions, the HFO businesses continued to innovate over the past year. Key examples include the Clarks ’10 Step Check’ initiative which helped drive strong back-to-school sales. You can also see on screen the Golden Volleys showcased on the front page of this year’s annual report which were worn by the Australian Olympic Team as they entered the stadium in London. They paved the way for our launch of the popular green and gold ‘Olympic Volley’.

That’s a brief overview of last year’s result. With that, I’ll now hand over to John to talk about his initial impressions and his thoughts on some of the priorities going forward. He’ll also provide a trading update and some comments on the outlook.

Thank you.

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PACIFIC BRANDS

Chief Executive Officer's Presentation

to the

2012 Annual General Meeting

of

Pacific Brands Limited

Tuesday 23 October 2012

Melbourne

Thank you David, and good morning Ladies and Gentlemen.

For Pacific Brands it has been an eventful 12 months and for me it has been an informative, interesting and exciting first 50 days as your CEO.

I'm pleased to have the chance to address you, our shareholders, so early in my term and to be able to share some of my initial thoughts.

Before I do that, I'd like to pick up from where David left off by making some brief comments on the outlook for your company, including year-to-date trading.

F13 Outlook

There has been no fundamental change to the outlook for F13 from that provided at the time the company released its 2012 result in August, but I would like to give you an update on trading for the year to date in terms of underlying sales performance, remembering, of course, that the most critical period of the year – Christmas and the December quarter – is still largely ahead of us.

- There has been no noticeable improvement in the operating environment so far this year. Time will tell whether the latest interest rate cut has much impact, but prudently our plans assume more of the same. Trading remains volatile, with September down but October month-to-date is in line with last year.
- Year-to-date, group underlying sales are down.

- The Underwear group is up, with Bonds performing well but Rio and Holeproof offsetting much of that growth.
- Workwear is down with the drop in activity observed since March/April showing no immediate signs of turning. As always, timing of the roll out of key contracts may impact the phasing of sales between the halves.
- HFO is also down with sport and non-premium footwear being particularly weak, with the administration of Payless being one illustration of this.

First 50 days

So, short term, the trading environment remains challenging, but now I want to share with you why I took on the role as your CEO and why I am optimistic about the future.

Pacific Brands has some of Australia's most iconic brands and they have great potential. I am excited at the thought of realising that potential. We are recognised domestically as leaders in our categories, and I can see many opportunities to extend that leadership going forward.

Since taking on the role as CEO at the start of last month, I have now visited each of our businesses and our major sites around the country and overseas in China, Hong Kong and Indonesia. I have also met with many of our key suppliers and seen our sourcing and supply chain capability first hand.

I thought it was important to connect as quickly to as many of our people as possible to evaluate our capabilities, listen and share my motivation and intentions.

I now have an understanding of the key issues our people are facing and the barriers that are getting in their way as they respond to the challenges and opportunities of a rapidly changing market.

I have completed a thorough review of each business with management taking me through the current state of play, their business plans, and discussing the opportunities in front of them - and I am pleased to say there are a great many opportunities available to the company, and of course there are some challenges.

While I have also had the chance to engage with many of our key customers, from my perspective it's just the beginning.

Establishing closer contact and building strong working relationships – long term partnerships as I see them - will be a major focus for me.

Strategic themes

I now want to turn to what I see as some of the emerging strategic themes coming from my early observations. These will, of course, firm up and evolve over the coming months.

1. Maximise the full potential of each business

The first is to maximise the full potential of our existing businesses.

The transformation agenda over the last 4 years, including the move to increased offshore sourcing, has positioned the company well to compete in the future. It is time now to turn more of our attention to the external environment - our markets, our customers and our consumers.

Most of our well known and respected brands are in better shape than I expected. There are some opportunities for further investment. There is also potential to grow the categories in which we compete by further leveraging our category management capabilities and the strength of our combined portfolio.

To unlock the potential of each business we will bring more focus to and increase investment in our key brands. We will also partner more closely and more fully with our wholesale customers.

Critical to that - and our broader success - is to get the core consumer and customer value propositions right by more fully leveraging our consumer insights and strengthening the linkages between research and development, design and brand management.

We will move to maximise our brand reach in existing and new categories, consumer segments and channels. We will also bring more entrepreneurial creativity in design, merchandising and R&D.

We have a range of attractive growth opportunities available to us and there's no shortage of good ideas. Broadly the strategic initiatives undertaken by your company to date are right, but we need to focus more on the speed and precision of our execution - based on clear alignment around our strategic direction. From here on in we will be more ambitious, tenacious and relentless in our execution.

2. Drive direct shopping experiences that excite our consumers

The second strategic theme is to drive direct shopping experiences that excite our consumers. This includes accelerating our growth in the direct retail channel and becoming leaders in both online and social media. We will delight shoppers with inspirational and engaging retail experiences, and more rapidly build scale and greater excellence in our retail operations. The reality for any brand business globally now is that you need excellence in wholesale, direct retail and online sales capability. It is not a question of trading one off against the other, but rather ensuring we have amazing wholesale relationships that bring our brands to life; a direct retail presence that demonstrates the quality of our entire range; and online capability that keeps our brands relevant and accessible in Australia and internationally.

3. Explore the potential to expand our geographic footprint

The third major strategic theme is to develop a better understanding of the geographic potential of our business. We will progressively investigate opportunities to take our best brands – including the likes of Bonds, Sheridan and our Workwear business – to new markets. We need to think more broadly and become recognised global leaders in our key categories. The reality is we already have a significant presence in markets like China that we have not yet begun to leverage. A great example of this is Sheridan which has a partnership in China and Hong Kong that ranks amongst their top 5 customers and is represented by a number of concessions and dedicated retail outlets. Without doubt Australia will continue to be our main focus however, the question that we will explore is: can we do this with some of our other brands?

4. Maintain an internationally competitive sourcing and supply chain

The fourth strategic theme is to ensure we maintain an internationally competitive sourcing and supply chain capability. We have established a unique and highly capable presence centred in China, Hong Kong and Indonesia. We will progressively explore other markets as we see both the technical capability develop in those markets along with the commitment to ethical standards of manufacturing. Quality and ethical sourcing will continue to be hallmarks of this business.

5. Build a breakthrough performance environment

Finally, there will be various enablers to achieve this success. Fostering a breakthrough performance environment will be the most critical.

Having had the opportunity to meet many people in our company, I can see that we have both great depth and diversity of talent. I have no doubt that this talent will thrive when we provide the right coaching, mentoring, feedback and end-to-end accountability.

I can see a healthy enthusiasm, commitment and energy for our businesses emerging, that is ready to be fully engaged. There is a strong desire to work better as a team by enabling collaboration at all levels and across business units.

We will encourage more ambition and performance resolve. We will build on the solid experience in the business and expand our risk taking and innovation capability. Commercial and sensible risk taking needs to be encouraged and to become part of the culture at all levels.

Conclusion

There is still much work to do and there will be some challenges in the near term, but the positive foundations for improved performance in the medium to longer term are clearly here in your company.

Overall, I am optimistic that Pacific Brands has the right foundations, iconic brands and depth of leadership. Given clear direction and a commitment to excellence in execution your company can and will succeed.

Thank you very much ladies and gentlemen. I look forward to meeting many of you after the AGM today and in the future. I would now like to hand back to Peter Bush for the formal business of the meeting. Thanks Peter.

* * * * *

2012 Annual General Meeting

23 October 2012

PACIFIC BRANDS

Non-IFRS financial information

- Other than as indicated, the financial information contained in this document is directly extracted or calculated from audited Financial Statements
- Throughout this document some non-IFRS financial information is stated before other expenses that are individually significant as disclosed in Note 4 to the Financial Statements (significant items). Results excluding such expenses are considered by Directors to be a better basis for comparison from period to period as well as more comparable with future performance. They are also the primary measure of earnings considered by management in operating the business and by Directors in determining dividends
- There are also references to Underlying Sales which are defined as reported sales less sales from brand acquisitions, divested businesses, businesses held for sale and brands and labels subject to discontinuation. Directors consider that sales defined in this manner is a meaningful measure of sales as it is consistent with the Pacific Brands transformation strategy, representative of the recent movement or trajectory in sales and provides a better indication of the relevant base against which future sales can be compared
- Operating cash flow pre interest and tax (OCFPIT) as a measure of cash flow is considered by Directors to be meaningful as it is the cash equivalent of EBITDA and thus provides a measure of the rate at which operating earnings are converted to cash

PACIFIC BRANDS

Agenda

- Welcome
- Chairman's address
- Chief Financial & Operating Officer's presentation
- Chief Executive Officer's presentation
- Formal business
  1. Financial Report
  2. Re-election of Directors
  3. Adoption of Remuneration Report
  4. Board Spill Meeting resolution (if required)
  5. Remuneration arrangements for the incoming CEO
  6. Adoption of proportional takeover provision

PACIFIC BRANDS

Chairman's address for the financial year ended 30 June 2012

Peter Bush
Chairman

Key points

- 2012 result
  - Creditable operating result in difficult environment
  - Reported result impacted by non-cash goodwill write-downs
  - Strong financial position and cash flow

- Ready for the next phase of the turnaround
  - Clear strategic priorities
  - New CEO to help drive growth

- Outlook
  - Well placed to deal with near term challenges and benefit from any improvement in market conditions

Response to 2011 first strike

F11

- First strike at 2011 AGM

F12

- Board has listened to shareholder feedback and taken special care to, where possible, address feedback
- Salaries already in place before 2011 AGM
- No STI payouts for senior executives
- LTI did not vest

F13

- 25% cut in directors' base and committee fees
- Salary freeze on senior management (except where new / more complex role)
- STI opportunity for senior management halved (at target)

PACIFIC BRANDS

Chief Financial & Operating Officer's presentation

David Bortolussi
CF&OO

PACIFIC BRANDS

Group results

- Reported sales down 18.1%
- Underlying sales (excluding Kmart) down 4.3%[1]
- Reported net loss after tax[2] of $450.7m due mainly to $502.7m of non-cash goodwill write-downs
- EBIT before significant items[3] down 30.7% to $129.1m at the upper end of guidance range of $125-130m
- NPAT before significant items[3] down 29.6% to $72.8m
- Net debt[4] reduced from $227.2m to $189.1m through strong cash flow and asset sales
- Dividend of 4.5 cps and payout ratio[5] maintained at 56%

1. Announced but not audited
2. After deducting non controlling interest
3. Before other expenses that are individually significant as disclosed in Note 4 to the Financial Statements (significant items)
4. Net debt as disclosed in Note 25 to the Financial Statements comprises interest bearing loans and borrowings less cash and cash equivalents
5. Dividends declared / NPAT before significant items

Other expenses (significant items)

- **Goodwill write-downs** ($502.7m non-cash, no tax effect)
  - Underwear ($388.7m)
  - Homewares ($63.0m)
  - Workwear ($51.0m)

- **Profit / loss on asset sales**
  - Gain on property sales ($3.5m, no tax effect)
  - Bikes final loss on completion ($2.3m pre tax, $1.6m post tax)

- **Restructuring expenses** ($31.4m pre tax, $22.0m post tax)
  - Transformation program costs, including:
    - Operating Group streamlining and restructuring
    - Underwear distribution centre consolidation
    - Corporate and functional support restructuring
    - Office facilities rationalisation

Underwear

$ millions	F12	F11	Change
Sales[1]	432.5	513.4	(15.8)%
EBIT (pre significant items) [2]	76.0	111.3	(31.7)%
EBIT margin (pre significant items) [2]	17.6%	21.7%	(4.1)pts

- Sales impacted mainly by Kmart change in strategy
- Bonds (excluding Kmart) up despite weak market
  - successful marketing campaigns
  - online and retail launched
- Berlei online launched
- Hosiery (eg Razzamatazz) and Rio down
- Distribution centre consolidation completed
- EBIT margins lower due to:
  - higher input costs
  - partially offset by Bonds and Omni integration

1. Excluding other segment revenue and inter segment revenue
2. Before other expenses that are individually significant as disclosed in Note 4 to the Financial Statements (significant items)

Workwear

$ millions	F12	F11	Change
Sales[1]	388.7	396.8	(2.0)%
EBIT (pre significant items)[2]	38.6	48.7	(20.7)%
EBIT margin (pre significant items)[2]	9.9%	12.3%	(2.4)pts

- Sales impacted later in the year by:
  - lower business confidence
  - slowdown in the resource sector
  - reduced government spending
- EBIT margins lower due to:
  - higher input costs
  - tighter customer procurement practices
  - competitive intensity
  - increased allocation of shared costs

1. Excluding other segment revenue and inter segment revenue
2. Before other expenses that are individually significant as disclosed in Note 4 to the Financial Statements (significant items)

Homewares, Footwear & Outerwear

$ millions	F12	F11	Change
Sales[1]	501.5	704.0	(28.8)%
EBIT (pre significant items) [2]	26.2	38.9	(32.6)%
EBIT margin (pre significant items) [2]	5.2%	5.5%	(0.3)pts

- Sales and EBIT impacted by divestments (Sleepmaker, Dunlop Foams and Bikes)
- Sheridan sales up driven by boutiques, outlets and online
- Other businesses down
  - Tontine: increased private label competition
  - Dunlop Flooring: competitive intensity, housing slowdown
  - Footwear & Sport: due mainly to move away from second tier brands, but core premium brands up in 2H12
  - Outerwear: Mossimo up rest of portfolio mixed
- EBIT margins benefitted from Footwear & Sport combination but down overall due to input cost increases

1. Excluding other segment revenue and inter segment revenue
2. Before other expenses that are individually significant as disclosed in Note 4 to the Financial Statements (significant items)

Chief Executive Officer’s presentation

John Pollaers
CEO

F13 Outlook

- Challenging market conditions to continue in F13
- Year-to-date underlying sales performance has been mixed with Underwear up, and Workwear, HFO and the overall group down
- Gross margins are expected to be broadly maintained in line with last year
- Continued efforts to reduce ongoing costs of doing business, and will reinvest in direct-to-consumer channels and consumer marketing
- Earnings outcomes will be largely dependent upon market conditions and associated sales performance, and may be impacted by ongoing restructuring and rationalisation
- The Company remains well placed to deal with the current trading environment and to benefit from any improvement in market conditions

PACIFIC BRANDS

Emerging strategic themes

- Maximise the full potential of each business
- Drive direct shopping experiences that excite our consumers
- Explore the potential to expand our geographic footprint
- Maintain an internationally competitive sourcing & supply chain
- Build a breakthrough performance environment

PACIFIC BRANDS