PACIFIC BRANDS

18 February 2013

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

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

Dear Sir/Madam

FY'13 - HALF YEAR RESULTS – PRESENTATION BRIEFING SLIDES

Please find attached, for release to the market, the slides of a briefing to investors to be webcast following the release of the Company's Half Year Report for the period from 1 July 2012 to 31 December 2012.

These documents will also be available on the Company's website at www.pacificbrands.com.au

Yours faithfully
Pacific Brands Limited

John Grover
Company Secretary

Enc.

Pacific Brands Half Year Results 2013

18 February 2013

John Pollaers, Chief Executive Officer
David Bortolussi, Chief Financial & Operating Officer

Non-IFRS financial information

- Other than as indicated, the financial information contained in this document is directly extracted or calculated from the reviewed Financial Statements
- Throughout this document some non-IFRS financial information is stated before other expenses that are individually significant as disclosed in Note 7 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 and businesses held for sale. Directors consider that sales defined in this manner is a meaningful measure of sales as it is 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

Executive Summary and Operational Performance

John Pollaers
Chief Executive Officer

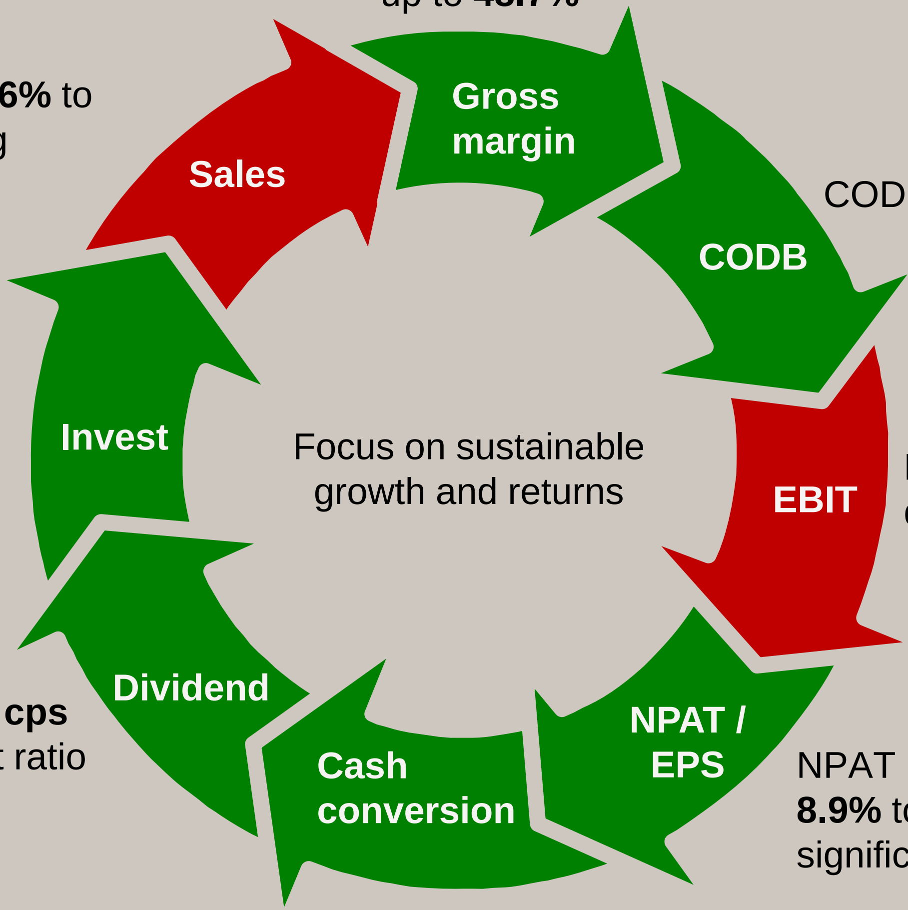
Summary of key financial outcomes

Gross margins up to **48.7%**

Reported sales down **6.6%** to **$639.2m** and underlying sales down **5.8%**[1]

CODB down **2.9%**

Increased investment in direct-to-consumer (retail and online)



EBIT (before significant items) down **2.0%** to **$64.3m**

Dividend up **25%** to **2.5 cps** fully franked and payout ratio up from **51%** to **59%**

NPAT (before significant items) up **8.9%** to **$38.9m** and EPS (before significant items) up **10.0%**

Strong cash conversion of **103%**[1]

Conservative financial position maintained (gearing of **1.3x**, interest cover of **6.0x**)[1]

1. Data has not been subject to independent review

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Some encouraging signs, but further performance improvement required

Underwear

Sustain growth

- Early days, but encouraging growth driven by Bonds, Berlei and Jockey
- Improving trajectory for most other key brands
- Continued decline from portfolio brands, with opportunities for improvement being assessed

Workwear

Extend and grow

- Impacted by cyclical downturn in market conditions
- Challenges due to business confidence, government sector, SMEs
- Contract renewal rates high and steady
- Priority sectors for growth being identified

HFO

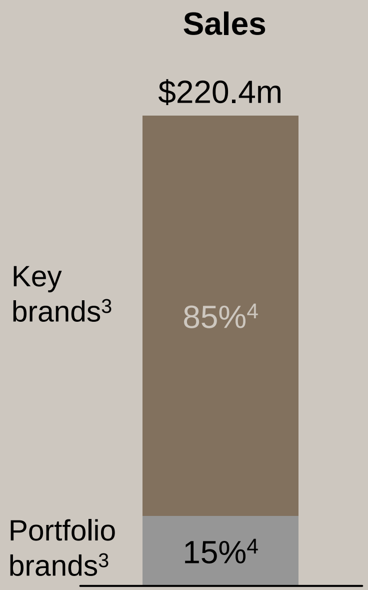
Optimise / turnaround

- Sheridan marginally down
- Premium footwear brands up
- Offset by declines elsewhere, particularly in portfolio brands
- Priority to turnaround underperforming brands / businesses

Underwear: Encouraging growth driven by Bonds

$ millions	1H13	1H12	Change
Sales[1]	220.4	217.3	1.4%
EBIT (reported)[2]	38.8	(360.7)	n.m.
EBIT (pre significant items)	38.8	35.4	9.9%

- Growth in Bonds, Berlei and Jockey
  - Responsive to investment
  - Increased distribution
  - Continued growth in direct-to-consumer
- Hosiery brands' trajectory improving
- Majority of portfolio brands down (eg Rio)
- Continued innovation pipeline (eg Bonds Zip Wondersuit)
- Direct-to-consumer effective in proving merits of product for wider wholesale distribution
- EBIT margins up due to mix effects, reduced import costs and integration benefits

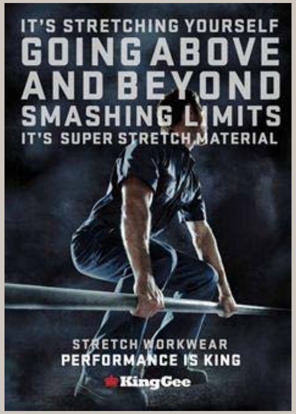


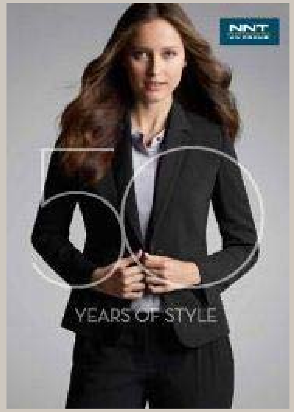
	Change vs PCP[4] (%)	Change vs PCP[4] ($m)
Key brands[3]	8.8	15.1
Portfolio brands[3]	(26.3)	(12.0)

1. Excluding other segment revenue and inter segment revenue
2. Reported loss due to 1H12 impairment of goodwill ($388.7m)
3. Key brands comprise Berlei, Bonds, Explorer, Jockey and Hosiery brands; all other brands are classified as portfolio brands
4. Data has not been subject to independent review

Workwear: Cyclical downturn impacting sales

$ millions	1H13	1H12	Change
Sales[1]	176.8	194.5	(9.1)%
EBIT (reported)	18.8	18.4	2.2%
EBIT (pre significant items)	18.8	19.4	(3.0)%





- New products performing well (eg Stubbies Workwear, Hard Yakka and KingGee denim ranges, KingGee WorkCool 2)
- Major corporate sales steady
  - Contract renewal rates high and stable
  - Continued contract wins including internationally with Emirates Group in UAE
- Overall B2B sales and wholesale down
  - Weak business confidence, slow employment growth and reduced government spending (eg Defence)
  - Replenishment levels down and retail sales declined (especially in SME segment)
  - Resource sector down, which started slowing in 2H12
- EBIT margins relatively steady with reductions in import costs and tight CODB management

1. Excluding other segment revenue and inter segment revenue

HFO: Mixed performance, turnaround required

$ millions	1H13	1H12	Change
Sales[1]	242.0	272.9	(11.3)%
EBIT (reported)	12.0	14.8	(18.9)%
EBIT (pre significant items)	12.0	17.6	(32.2)%

- Sheridan sales marginally down – boutiques up but concession sales in department stores and clearance volumes down
- Footwear down overall
  - Key premium brands (eg Clarks, Hush Puppies, Julius Marlow) up but offset by retailers' private label strategies continuing to impact portfolio brands (Grosby, Dunlop, Slazenger)
  - Increased clearance activity and discounting in footwear market
  - Sales and earnings impacted by Payless administration
- Outerwear: improved performance in both retail (eg Mossimo) and wholesale (eg Superdry)
- Tontine continues to be impacted by increased private label competition
- Dunlop Flooring sales down but have stabilised following 2H12 decline; margins lower due to increased competitive intensity and continued softness in the housing market
- EBIT margin impacted by lower sales

1. Excluding other segment revenue and inter segment revenue

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Group Financial Results

David Bortolussi
Chief Financial & Operating Officer

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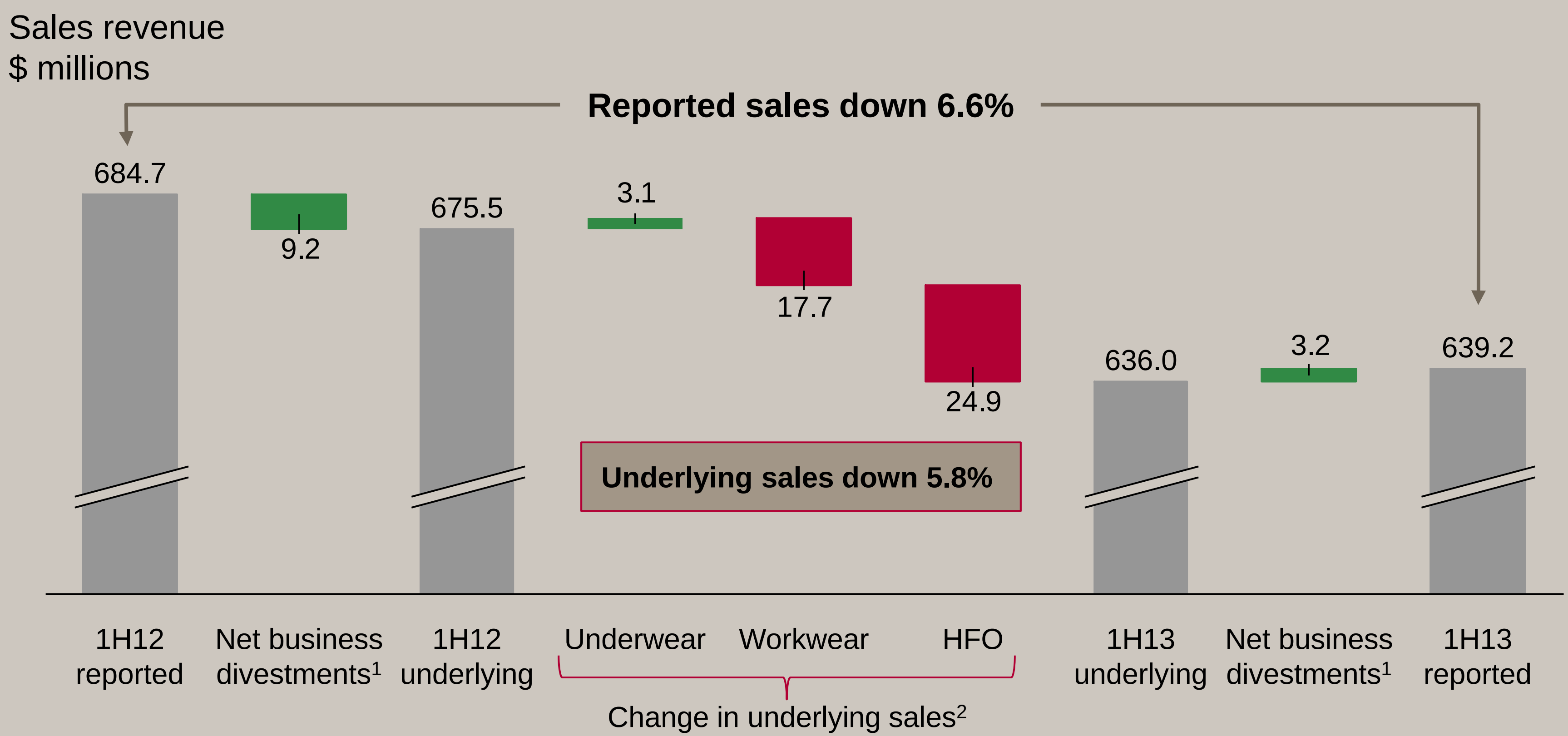
Income statement

$ millions	Reported 1H13	Reported 1H12	Reported Change $m	Reported Change %	Before significant items 1H13	Before significant items 1H12	Before significant items Change $m	Before significant items Change %
Sales	**639.2**	**684.7**	**(45.5)**	**(6.6)**	**639.2**	**684.7**	**(45.5)**	**(6.6)**
Gross margin	311.5	320.2	(8.7)	(2.7)	311.5	320.2	(8.7)	(2.7)
Gross margin	**48.7%**	**46.8%**	**1.9pts**	**n.m.**	**48.7%**	**46.8%**	**1.9pts**	**n.m.**
CODB	247.2	254.6	(7.4)	(2.9)	247.2	254.6	(7.4)	(2.9)
Other expenses	-	402.1	n.m.	n.m.	-	-	-	-
EBITDA	72.1	(329.4)	n.m.	n.m.	72.1	72.7	(0.6)	(0.9)
Depreciation / amortisation	7.8	7.1	0.7	9.8	7.8	7.1	0.7	9.8
EBIT	**64.3**	**(336.5)**	**n.m.**	**n.m.**	**64.3**	**65.6**	**(1.3)**	**(2.0)**
EBIT margin	10.1%	(49.1)%	n.m.	n.m.	10.1%	9.6%	0.5pts	n.m.
Net interest	10.9	13.6	(2.7)	(20.0)	10.9	13.6	(2.7)	(20.0)
Tax	14.4	12.0	2.4	19.8	14.4	16.1	(1.6)	(10.2)
NPAT[1]	**38.9**	**(362.4)**	**n.m.**	**n.m.**	**38.9**	**35.7**	**3.2**	**8.9**
EPS	4.3cps	(39.3)cps	n.m.	n.m.	4.3cps	3.9cps	0.4cps	10.0
DPS – fully franked	**2.5cps**	**2.0cps**	**0.5cps**	**25.0**	**2.5cps**	**2.0cps**	**0.5cps**	**25.0**
Payout ratio[2]	59%	n.m.	n.m.	n.m.	59%	51%	8pts	n.m.

1. After deducting non controlling interest
2. Dividends declared / NPAT before significant items

Group sales result*



1. Bikes business divested 1H12 (effective 31 August 2011). Restonic business divested 1H13 (effective 30 October 2012)
2. Underlying sales down due primarily to low consumer sentiment and business confidence, and retailers' private label strategies continuing to impact portfolio brands, offset to some extent by growth in Bonds which drove the positive Underwear result

* Data, other than reported amounts, has not been subject to independent review

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Cost of doing business

$ millions	1H13	1H12	Change $m	Change %
Sales	639.2	684.7	(45.5)	(6.6)
Freight & distribution	55.8	57.3	(1.5)	(2.6)
Sales, marketing & advertising	132.9	135.6	(2.8)	(2.0)
Administration	58.5	61.7	(3.2)	(5.2)
CODB	**247.2**	**254.6**	**(7.4)**	**(2.9)**
CODB / Sales	38.7%	37.2%	1.5pts	n.m.

- Freight rates flat and volumes lower with an increase in handling units / costs
- Increased investment in retail and online capability and expansion
- Advertising investment in top brands maintained
- Decrease in sales, marketing & advertising and administration costs due to restructuring and tight CODB management

Financial position

$ millions	1H13	2H12	1H12	1H13 change vs 2H12	1H13 change vs 1H12
Working capital[1]	259.8	264.7	309.7	(4.9)	(49.9)
PP&E	64.0	82.3	81.1	(18.3)	(17.1)
Intangibles	580.2	580.6	693.5	(0.4)	(113.3)
Other[1,2]	(31.0)	(52.0)	(54.5)	20.9	23.4
Total capital employed	**872.9**	**875.6**	**1,029.8**	**(2.7)**	**(156.9)**
Net debt	(177.7)	(189.1)	(242.2)	11.4	64.5
Equity[3]	**695.3**	**686.5**	**787.7**	**8.8**	**(92.4)**
Net debt / equity (%)	25.6	27.5	30.7	(2.0)	(5.2)
Gearing[4] (x)	1.3	1.4	1.5	(0.1)	(0.2)
Interest cover[4] (x)	6.0	5.2	6.1	0.8	(0.1)
ROCE[1] (%)	14.6	14.7	14.4	(0.1)	0.2
Tangible ROCE[1](%)	43.6	43.7	44.2	(0.1)	(0.5)

- Capital employed down due to effective working capital management and divestments
- Conservative credit metrics – gearing of 1.3 times and interest cover of 6.0 times

1. Data has not been subject to independent review
2. Comprises all other assets and liabilities other than Working Capital, PP&E, Intangibles and Net debt. Includes assets and liabilities held for sale
3. Includes non controlling interest
4. Data has not been subject to independent review. Defined as per the Subscription Agreement with the Company's banking Syndicate. Refer Appendix for further detail

Working capital management[1]

$ millions	1H13	2H12	1H12	1H13 change vs 2H12	1H13 change vs 1H12
Trade debtors	142.6	140.1	173.3	2.5	(30.7)
Inventories	252.0	244.3	266.0	7.7	(14.0)
Trade creditors	134.8	119.6	129.6	15.1	5.2
Working capital	**259.8**	**264.7**	**309.7**	**(4.9)**	**(49.9)**
Debtors days (days)	43.4	45.3	45.6	(1.9)	(2.2)
Inventory turns (x)	2.6	2.8	3.0	(0.1)	(0.3)
Creditor days (days)	69.4	62.6	61.0	6.8	8.4

- Working capital normally higher in December due to seasonality (typically builds in 1H and releases in 2H), but has been managed closely
- Debtor days improved marginally on previous corresponding period reflecting a continued focus on collections over the period
- Inventory turns decreased due to mix changes, reduced turns from portfolio brands, and purchase order and B2B contract shipment timing
- Creditor days improvement due to progressive increase in supplier terms, purchase order and other timing impacts

1. Data has not been subject to independent review. Refer Appendix for basis of calculation

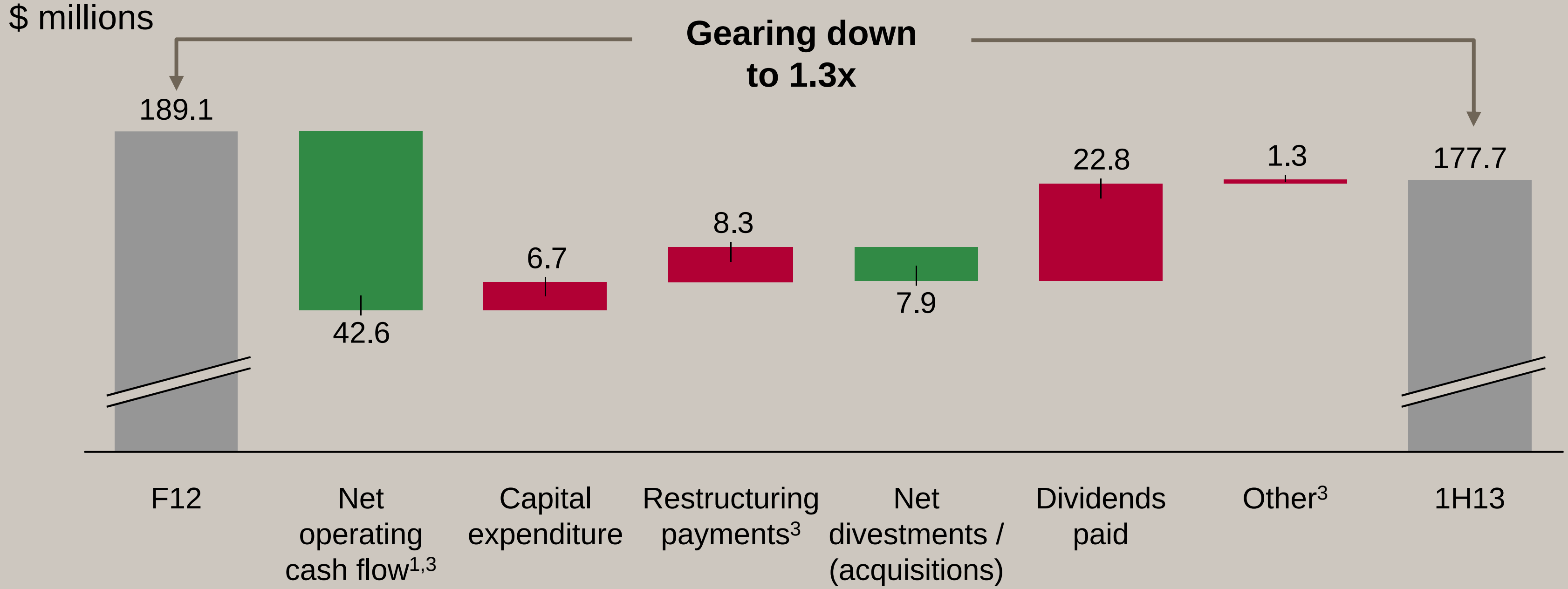
Cash conversion

$ millions	1H13	1H12
EBITDA (reported)	72.1	(329.4)
Significant items (pre tax)	-	402.1
EBITDA (before significant items)	**72.1**	**72.7**
Change in working capital / Other[2]	2.1	20.2
OCFPIT	**74.1**	**92.9**
Net interest paid	(10.3)	(13.1)
Tax paid	(21.2)	(27.1)
Net operating cash flow (before restructuring payments)	**42.6**	**52.7**
Restructuring payments[2]	(8.3)	(12.1)
Net operating cash flow (reported)	**34.3**	**40.6**
Cash conversion[1,2]	**102.9%**	**127.8%**

- Cash conversion typically lower in 1H vs 2H due to effect of seasonal activity and inventory build ahead of Chinese New Year
- 1H12 cash conversion particularly high due to partial unwind of cotton price increase and other timing impacts

1. Cash conversion is defined as OCFPIT divided by EBITDA before significant items
2. Data has not been subject to independent review

Net debt



Debt profile $ millions	Maturity date	31 December 2012 Facility	Drawn
Tranche 2	31-Jan-15	150.0	150.0
Tranche 3	31-Jan-16	100.0	100.0
Securitisation	31-Jul-15	175.0	96.5
Overdraft		33.0	0.0
Total facilities		**458.0**	**346.5**
Cash			(167.6)
Other[2]			(1.2)
Net debt			**177.7**

- Strong operating cash flow has led to a marginal reduction in net debt
- Tranche 1 of the syndicated debt facility ($100 million) was undrawn and due to expire on 31-Jan-14. This tranche was cancelled in December 2012 as it was determined to be surplus to current requirements and was incurring unnecessary undrawn line fees
- Adequate liquidity is maintained through cash and undrawn facilities

1. Before restructuring items and capital expenditure
2. Deferred borrowing costs
3. Data has not been subject to independent review

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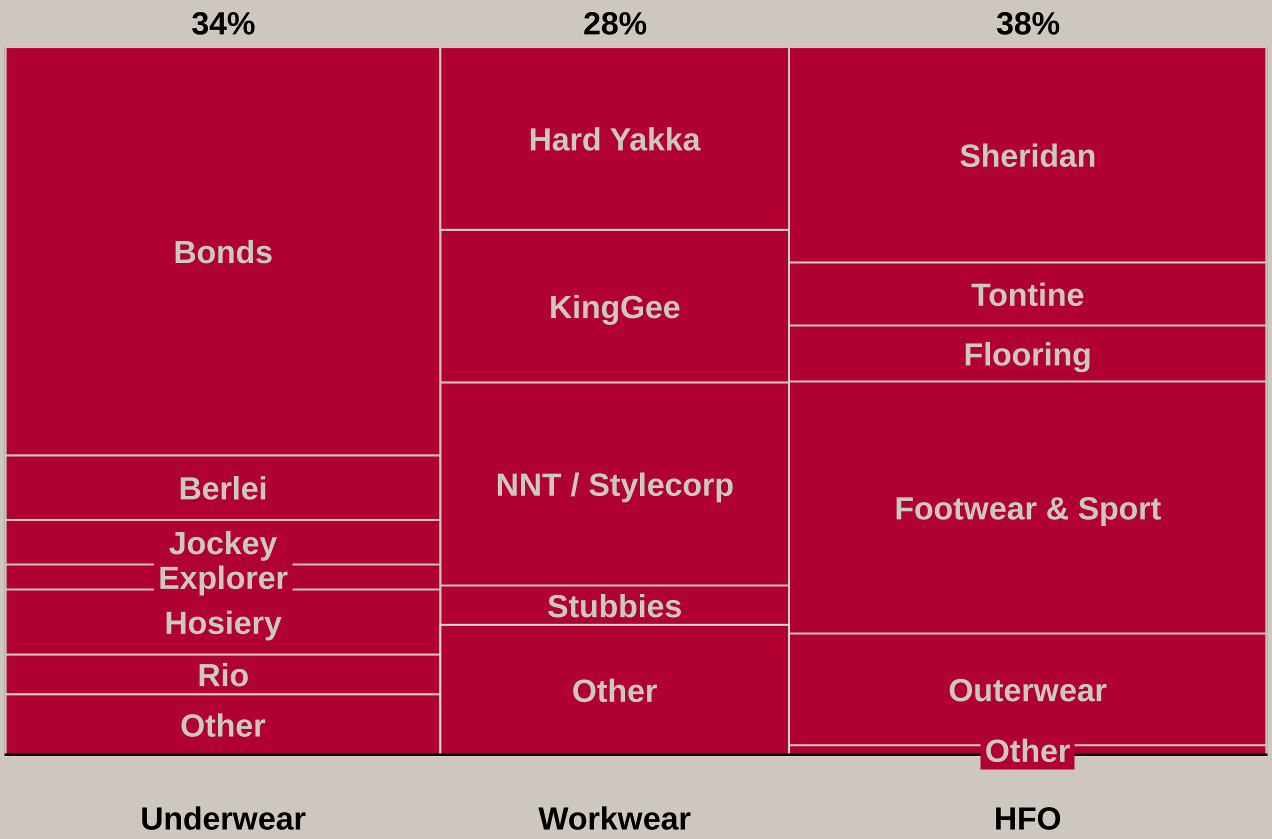
Strategy and F13 Outlook

John Pollaers
Chief Executive Officer

Market leading brand portfolio[1]

Share of 1H13 reported sales revenue; % of total

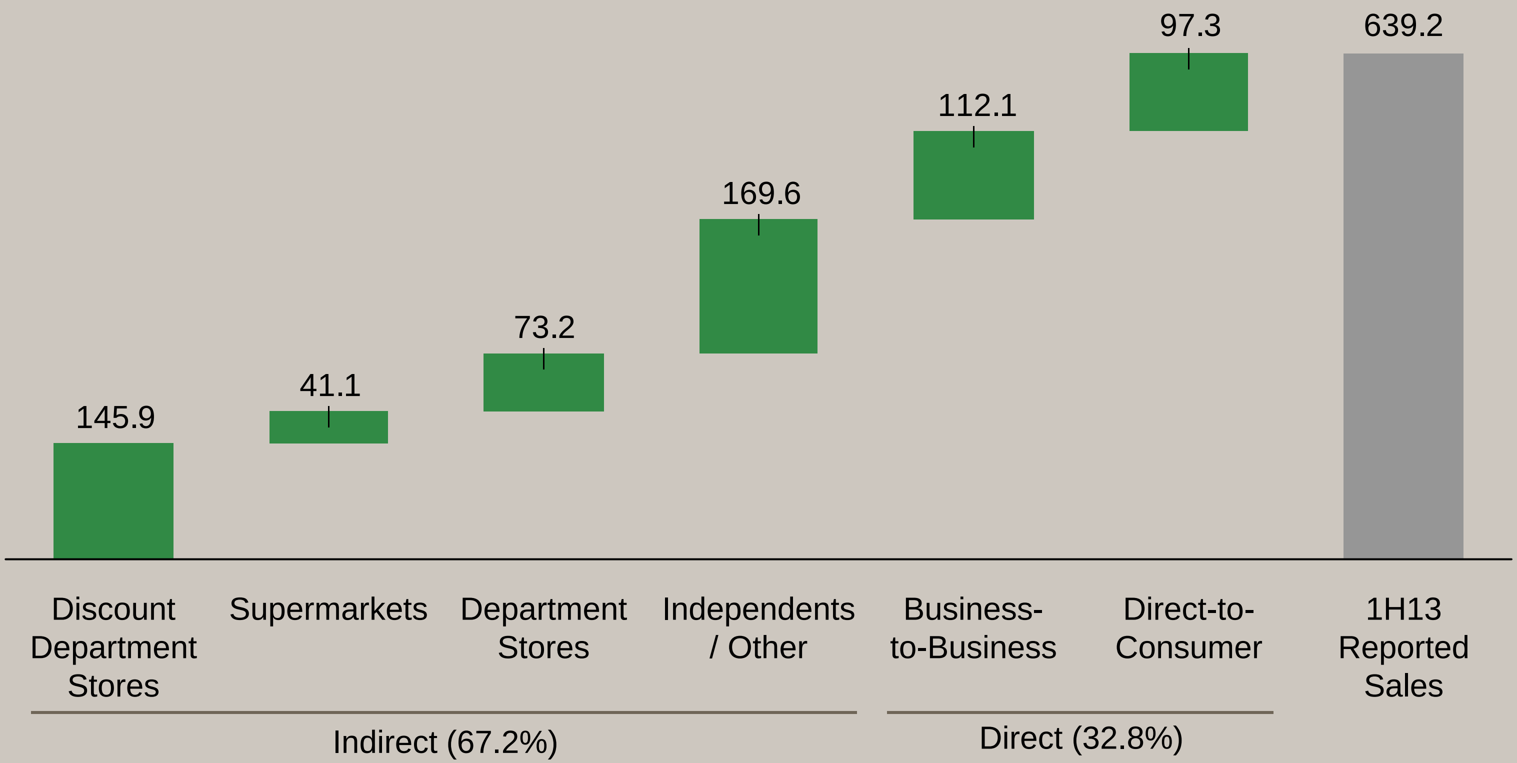


	Underwear	Workwear	HFO
Reported ($m)	220.4	176.8	242.0

1. Data, other than reported amounts, has not been subject to independent review

Diversified channels to market[1]

1H13; $ millions



% share of total	22.8	6.4	11.5	26.6	17.5	15.2	100.0

1. Data, other than reported amounts, has not been subject to independent review

Strategic shift over time

Where have we been? **(F09 – F12)**	**Where are we heading?** **(F13 – F17 and beyond)**
Internally focused on transformation strategy	'We are Australian for innovation and design that is loved by the world' with more external focus on growth
Rationalising portfolio of brands (largest 10 c.65%) with mixed performance (eg some distribution risk for other portfolio brands)	More focused portfolio delivering consistent growth
Wholesale centric route-to-market (>65%) while supply chain and portfolio were being optimised	Strong indirect wholesale customer base balanced with complementary direct channels to market (ie online, retail, B2B)
Competing in core categories typically with high share, but lower growth potential	Delivering higher impact innovation in core categories and capturing adjacent category expansion opportunities
Australian centric business (>90%) with international markets largely untested	Growing international business, particularly for Bonds, Sheridan and Workwear

Corporate strategic imperatives

How are we going to get there?

Maximise the full potential of each business
- Invest in key brands (insights, innovation, advertising and other support)
- Broaden distribution channels (eg direct-to-consumer)
- Capture adjacent category / segment opportunities
- Turnaround under-performing businesses

Drive direct shopping experiences that excite our consumers
- Develop world-class online and multi-channel capabilities
- Refine and execute selected retail formats with a distinctive brand experience

Explore the potential for geographic expansion
- Develop market entry and / or expansion strategies for key brands in attractive markets
- Build business development, alliance management and distribution capabilities

Maintain an internationally competitive sourcing & supply chain
- Extend geographic reach of sourcing platform within and outside of China
- Improve efficiency, flexibility and speed of end-to-end supply chain

Build a breakthrough performance culture
- Create a more interdependent culture with greater ownership and sense of purpose
- Empower leaders across the business and foster a more entrepreneurial spirit

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Underwear: Strategic priorities

How are we going to get there?

Invest in core brands for sustainable wholesale growth
- Drive leading product innovation for core brands (eg increased R&D)
- Upweight investment in core brands (above and below the line)
- Step up category management and enhance customer partnerships

Grow direct-to-consumer channels
- Invest in Bonds multi-channel concept
- Evolve operating model to accelerate product deployment
- Integrate customer experience for concept / online / outlets

Capture adjacent category opportunities
- Leverage high brand equity of Bonds, Berlei and other brands into adjacent categories (eg Bonds intimates, activewear, sleepwear, children's wear)
- Quick to market trials in direct-to-consumer channels and scale through wholesale customers

Develop international business
- Lead with distinctiveness and Australian affinity of Bonds
- Explore key markets over time including UK, US, China and SE Asia
- Pursue alternative distribution and alliance models

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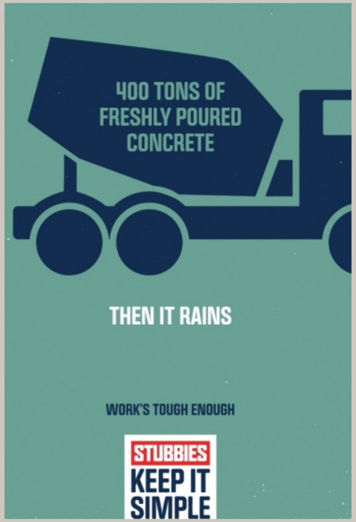
Workwear: Strategic priorities



How are we going to get there?

Extend product and brand leadership
- Invest in key industrial brands (Hard Yakka and KingGee) and R&D
- Exploit market leading industry sector expertise and focus on key industry verticals

Strengthen distribution platform
- Strengthen wholesale customer relationships and further improve servicing (eg DIFOT, speed of service)
- Provide tailored B2B direct service where appropriate
- Invest in retail (owned and franchised) and online

Capture adjacent segment and category opportunities
- Better address value segment with Stubbies Workwear
- Grow share in industrial footwear category
- Explore adjacent categories (eg PPE)

Develop international business
- Extend leading position in NZ and leverage defence expertise
- Target key B2B opportunities

Accelerate growth through acquisitions
- Pursue bolt-on acquisitions domestically and / or internationally

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HFO: Strategic priorities

How are we going to get there?

Homewares

Sheridan

- Invest in brand leadership in premium bed and bath categories
- Optimise and expand direct-to-consumer channel
- Leverage brand equity and retail footprint to capture adjacent category opportunities
- Extend international reach in key markets (eg UK and Asia)

Tontine

- Focus on innovation in premium pillow and bedding accessories
- Optimise product mix, distribution and factory utilisation

Flooring

- Manage competitive challenges and expand scope of business beyond carpet underlay

Footwear / Outerwear

- Increase focus on key brands (Clarks, Everlast, Hush Puppies, Julius Marlow, Mossimo, Volley)
- Expand direct-to-consumer channels
- Seek further opportunities to optimise brand portfolio
- Turnaround operational performance and returns

F13 Outlook

- Second half-to-date underlying sales performance continues to be mixed with Underwear up, Workwear down, HFO down and the overall group marginally down compared to the previous corresponding period
- Gross margins and costs of doing business are expected to be broadly in line with 1H13. Continued efforts to control costs of doing business are being undertaken, and the Company will also continue its planned investment in the direct-to-consumer channels
- Earnings outcomes will be largely dependent upon market conditions, associated sales performance and the implementation of the new strategy over time, and may be impacted by ongoing restructuring and rationalisation
- The Company remains well placed to deal with the continued challenging trading environment and to benefit from any improvement in market conditions

Questions

Appendix: Definitions

- Cash conversion – OCFPIT / EBITDA before significant items
- CODB (Cost of doing business) – operating expenses (freight & distribution, sales, marketing & advertising and administration) below gross margin other than expenses that are individually significant as disclosed in Note 7 to the Financial Statements
- EBIT – earnings before interest and tax
- EBITDA – earnings before interest, tax, depreciation and amortisation
- Gearing – Net debt (excluding deferred borrowing costs) / LTM EBITDA (annualised for acquisitions) before significant items
- Gross Margin – gross profit plus other income
- Interest cover ratio – (LTM EBITDA before significant items - Capex) / Net interest excluding amortisation of deferred borrowing costs and unused line fees
- Inventory, Debtors and Creditors turns / days – Statement of Comprehensive Income components are based on LTM; Statement of Financial Position components are calculated on a 3 point average (ie average of beginning, middle and ending balances for LTM)
- LTM – Last twelve months
- Net debt – Interest bearing loans and borrowings less cash and cash equivalents
- OCFPIT (Operating cash flow) – cash flow from operations before interest and tax
- ROCE (Return on Capital Employed) – LTM EBIT / period end total capital employed
- Tangible ROCE – as for ROCE but using total capital employed less Intangibles
- Underlying sales – reported sales less sales from brand acquisitions, divested businesses and businesses held for sale