24 October 2013

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

AGM PRESENTATIONS

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

- the Chairman; and
- the Chief Executive 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

Chairman's Address

to the

2013 Annual General Meeting

of

Pacific Brands Limited

Thursday 24 October 2013

Melbourne

Good morning ladies and gentlemen. I hope you enjoyed seeing some of our recent marketing campaigns. We'll talk more about the campaigns and the importance of innovation and effective marketing for our business later.

Introduction

I'm Peter Bush, Chairman of your Company.

Welcome to the 2013 Annual General Meeting.

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

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 General Counsel and Company Secretary;

And my fellow non-executive directors:

- Stephen Goddard, Chair of our Audit, Business Risk and Compliance Committee
- James King, Chair of our Remuneration Committee
- Jonathan Ling
- Helen Nash; and
- Arlene Tansey

I would like to take this opportunity to thank Arlene for her contribution to Pacific Brands over the last 3½ years. Arlene has made the decision not to stand for re-election. She has made a significant contribution to the company during a period of substantial change, so – on behalf of the board and shareholders – thank you Arlene.

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;
- Matt Claughton, the head of Workwear;
- Martin Matthews, the head of HFO;
- Paul Gould, the GM of Sheridan;
- Sandra Blackburn, the GM of Group Human Resources;
- Tom Dalianis, the GM of our IT and Shared Services function; and
- Danny Wyatt, our head of Sourcing and Supply Chain

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 John Pollaers who will provide some comments on last year's results, what we've been doing recently in relation to our strategic priorities and he'll conclude with some comments on the outlook for the current financial year.

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

1. The Financial Report
2. The election and re-election of Directors
3. The Remuneration Report; and lastly
4. The grant of performance rights to the CEO

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. 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 know the board and management are looking forward to having an opportunity to meet you informally.

I will now move to my report.

2013 result

The Company reported a solid result in 2013 in a year that saw market conditions remain challenging. As I am sure you are aware retail conditions were difficult. Indeed - contrary to the hope of many - business conditions actually deteriorated and there are no obvious signs of the trading environment having improved since year-end.

In this environment the growth in the Underwear group, driven by Bonds, was very pleasing. The decline in the Workwear Group largely reflected the general decline in business conditions and a market downturn in that category. HFO performance was mixed, with improving sales performance from Sheridan, the premium footwear business and Outerwear being the main highlights.

Group sales grew, albeit modestly, in the second half and operating earnings before significant items for the full year declined by 5.4%. At the bottom line, earnings per share grew nearly 2% and we increased the dividend by over 11% to 5 cents per share.

Operating cash flow remained strong through effective working capital management and that enabled us to reduce net debt to under $160 million by year end, so the company is in a sound financial position. I’m pleased to announce today that this helped enable us to successfully refinance our syndicated debt facility with improved pricing and improved commercial terms.

A great deal has been achieved in the last few years in terms of restructuring and repositioning our businesses, taking out costs and getting the right people into the right places. But there is still more to be done, and the management team are motivated and focussed on achieving the required results.

Strategic vision

It's 12 months since John Pollaers' appointment as CEO and in that time we have seen meaningful and constructive change. The strategic review we undertook with John saw us revisit our vision, our purpose and our values. It was necessary and important work after all the change – and the significant investment of management time and effort is starting to deliver a breakthrough performance environment throughout the company. Our team are now motivated around a single purpose and drive, around our vision "to be Australian for innovation and design loved by the world".

It's a great vision, and it's clear to me the entire company is behind it.

Conclusion

In conclusion, your board is very confident that the strategic direction we are taking is the right one and will deliver results in time. We will remain focussed and continue to invest in line with our strategy, though it is clear in this landscape it will take some time to deliver the company's full potential and return to sustainable sales and earnings growth. I'd like to assure you all, we are very determined to get there.

I'd now like to invite John Pollaers to take you through last year's result, an update on the strategy and trading, and the outlook for the current year. Thanks John.

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PACIFIC BRANDS

Chief Executive Officer's Presentation

to the

2013 Annual General Meeting

of

Pacific Brands Limited

Thursday 24 October 2013

Melbourne

Thank you Peter, and good morning Ladies and Gentlemen.

As Peter has said we have certainly been battling significant economic headwinds.

Before I take you through my view on how we're performing and share with you both the positives and the negatives of the year gone by, I'd like to reflect on what makes this company tick.

As I look out at you I see a group of people who clearly care deeply about the future of this company – and of course about its performance right now. I see people who care enough to come to this meeting and for that I thank you.

From where I stand and from what I've learnt in my first year, this is a company that is energised by the passion of those who believe in it.

While we are driving the company for improved performance and our absolute commitment is to deliver improved shareholder value – your company has another dimension to it - it's an iconic Australian business that I know many of you, and many of our consumers, customers and suppliers, have an emotional regard for.

I have come to understand in my first full year that this is something special – it's rich in Australian entrepreneurial passion and beliefs, and it's part of the Australian psyche through so many of its iconic brand names and home to so many Australians who work for it, and who care deeply about its reputation and its long term success.

The people who work for your company believe passionately that their job is to make you proud – and indeed all of Australia proud – of the Pacific Brands name – as well as to deliver your shareholder returns. They sincerely believe in their abilities to make incredible things possible going forward from the innovation and design they can take to the world through to the business success and profits they can enhance.

And let me assure you that I have seen a level of passion inside this company – for this company – that I haven't seen anywhere else I have worked, here or overseas.

For you, I believe this is important as it represents a good part of the measured optimism I will share with you for a future, hopefully not too far from now, when we can all enjoy the results of a transformational program that has made major strides in the past year.

But when I say measured optimism it's because the economy is yet to regain its strength and consumers are yet to regain the confidence lost during the global financial crisis.

We have made significant progress this year – but with the market conditions - it has at times felt like we have been running to simply stand still. I know I am not alone in this feeling - having spoken to my peers in the industry.

And have no doubt I know this transformational and performance improvement race started well before I joined – and you have all been patiently watching. I do believe it will pay off in time.

Let me talk about the last year. When I stood before you 12 months ago I had been your CEO for just 50 days. 365 days later we have achieved a lot, but there is also much much more to do.

Pacific Brands is a large and complex company. We have now captured and embedded the key achievements made during the transformation over the recent years - but we must continue to take the tough decisions and restructure the business where and as necessary to position it for the future. I am sure some would like us to be able to lessen the intensity of the work we are doing – even for a short while - but our management team and employees know that improving the business and its performance is an ongoing task – made even more important by these prolonged challenging times.

As many of you know the path to meaningful improvement hasn't always been smooth and it won't always be a straight line - but have no doubt - we will stay the course despite the short term challenges.

As I have said before, a key priority over the next couple of years is to stabilise the performance of the business while laying down the foundations for more confident growth in the following years – when the market does improve.

Today I'll talk about the 2013 result, but I also want to spend some time telling you about some of the key things we're currently doing – take you along that path we have set – as well as giving you an update on year-to-date trading and the short term outlook.

Summary of key financial outcomes

2013 was a solid result in continuing challenging market conditions.

If I were to sum it up the result in one sentence, it would be: "There are some encouraging signs - but we have work to do to further improve our performance."

Some media commentators say I am being overly cautious in my comments about the last trading year, but I'm here to say to you that while I am confident our business is in much better shape 12 months on and our people are showing more determination and care for what they do, the market is still not kind to this category and, whilst some indicators of confidence have recently ticked up, business and trading conditions are yet to reflect this. And while some may say I am being overly cautious – I would rather tell you the way I see it.

Peter has already mentioned the key points in terms of overall group performance, so let me go straight to some comments on each of our operating groups.

Divisional performance

The clear operational highlight of the full year result was the strong performance of Bonds and the broader Underwear group. Underwear's sales were up 5% and EBIT before significant items was up nearly 3%.

That strong performance was driven by Bonds and just goes to prove that good results can be obtained by doing the hard work - strategic focus, discipline and investment in great brands. Bonds sales were up in all channels, especially direct-to-consumer – both on-line and in store. Seasonal sales were strong in most categories and replenishment rates were also up, underpinned by continued innovation and backed up by great marketing campaigns.

Berlei was also up aided by some strong campaigns and category extensions, as was Jockey which benefited from widening distribution and increased wholesale sales in New Zealand.

Hosiery brands were down with sales impacted by the late start to winter weather and increased private label competition.

In total, Underwear's key brands – which comprise 86% of its sales – grew by nearly 13%.

On the other hand, the portfolio brands – the likes of Rio and Holeproof – which represent the balance of the portfolio, declined by nearly 27% due mainly to ongoing private label competition. The impact of these portfolio brands is generally lessening over time and we'll continue to manage them for value. However, consistent with our strategy, we will focus our investment on our growth brands which have the biggest opportunities.

Overall, EBIT margins were down in Underwear due to the increased CODB investment in store rollout and brand advertising – critical investments to maximise the long term potential of this group.

Workwear sales declined by nearly 7% last year but EBIT before significant items declined by 3%, reflecting a slight improvement in margins due to reductions in product costs and tight CODB management.

The business continues to win additional contracts, but – in both F13 and in the year to date – overall business-to-business and wholesale sales continue to be affected by the general economic downturn. Reflecting their own challenges, our workwear customers are being cautious, their own confidence remains fragile with a continuing and strong focus on cost reduction. Employment growth and turnover remain low, the resource sector continues to slow and governments continue to reduce their spending.

Indent sales can be volatile and were up in F13 but this may not necessarily repeat in F14. Replenishment levels were also down, particularly in the small to medium enterprise segment, and retail sales declined.

For Homewares, Footwear & Outerwear – or HFO as we call it – total sales were down 9%, or 7% in underlying terms. EBIT before significant items was down by 20% for the year.

Sheridan sales were up in boutiques, online and clearance; but down in concessions and department stores – overall, a good result in a difficult market.

Pleasingly, key premium footwear brands Clarks, Hush Puppies and Julius Marlow were all up, but Footwear & Sport was down overall due to the declines in portfolio brands, most notably Grosby, Dunlop and Slazenger.

Outerwear improved performance in both the retail and wholesale channels but still has a long way to go to improve performance and returns to acceptable levels. Lifting the returns for non-premium footwear and outerwear is a major short term priority as current returns are not acceptable.

Tontine was impacted by increased private label competition particularly in the discount department store channel. Dunlop Flooring sales and margins were lower due to increased competitive intensity and continued softness in the housing market.

Gross margins were relatively steady overall, with the EBIT margin decline for the year principally reflecting the impact of lower sales and operational leverage.

Strategic imperatives

So having talked about performance over the past year I'd now like to talk with you about our strategic priorities.

A year ago we were talking about a company nearing the end of a not-inconsiderable transformation - hoping but not counting on an improvement in the market. We knew we had to lock-in the benefits of the changes that had been made in the business and keep working on improving the business.

We had a team who had been working very hard and who knew there was no end in sight to that hard work. It was a time to quickly and accurately take stock. We reviewed our strategy and had to set a course that was right for the times ahead.

This is where we ended up – our five strategic pillars.

The first strategic pillar I want to talk about is to maximise the potential of each business.

In the last 12 months we have dramatically increased the level of innovation and category expansion. Examples include Bonds Kids range and Collectibles, Berlei Sport and Berlei Dig Free. The results from these innovations have driven great wholesale sales results for both Pac Brands and, equally importantly, our wholesale partners who remain the lifeblood of our business.

In Workwear, we've reorganised the business into key industry verticals to drive sales, enhance service and identify bolt on acquisition opportunities.

This has enabled us to more visibly demonstrate our unique capabilities both in technical innovation and our unique service proposition.
We've established an industrial footwear division and we've upgraded our sales and marketing capability, with an increased focus on execution and account management to tackle a challenging market.

In HFO we've increased our investment in Sheridan and challenged the category with our "Trust your skin" campaign. Stay tuned for some exciting new product offers in Sheridan as it strengthens its positioning as a luxury Australian lifestyle brand.

For our key footwear and outerwear brands, we've adopted a new brand-based structure for sales and marketing. We've also taken steps to secure our licensed brands. We recently, for example, entered into a joint venture with Iconix, the owner of Mossimo, to sub-licence in perpetuity all of their brands in Australia and New Zealand to various partners. The deal secures Mossimo for the long term as well as giving us a royalty stream on a number of other brands, and opens up the direct-to-retail licensing business model to us and our customers.

The second strategic pillar is to drive shopping experiences that excite our consumers.

Online is now up to 17 sites and, importantly, we have a single IT platform for it, as well as capable and scalable warehousing and distribution.

Branded stores, including concept stores and concessions, grew during the period especially for Bonds and Sheridan. Bonds now has 13 stores in place, up from 5 at 30 June; and Sheridan has just opened its first boutique in the UK with a store in Kings Road, Chelsea , to go with the 15 boutique stores we currently have in Australia.

We also have a network of outlets and clearance stores which is well established in Underwear and Sheridan. We recently expanded our footwear clearance network with the addition of 20 stores through the purchase of Shoe Warehouse and Shoe Superstore.

This build of our retail network will obviously lead to cost of doing business increases in F14 and beyond but we are committed to investing in our brands and their channels to market as this is the pathway to achieving sustainable long term growth in both sales and earnings.

The next pillar is geographic expansion. Properly exploring the potential for geographic expansion will take time – as it must. We aren't rushing it – our focus is on getting it right. This initiative won't bear immediate fruit – but getting it right has the potential to deliver serious long-term benefit to the business and our shareholders. From our work so far we have seen some good progress with Bonds online shipping to six countries and offering product in the UK via John Lewis. Workwear continues to develop business with the Emirates Group in the UAE and Volley has developed seed distribution in some key overseas markets, especially in the US through American Eagle, Nordstrom and Urban Outfitters.

The fourth pillar relates to ensuring we maintain an internationally competitive sourcing and supply chain.

Last year we merged five DCs into one at Truganina in Western Melbourne, which now services the Underwear and Outerwear businesses. A number of efficiency benefits have flowed from this, including greater customer order consolidation, improved use of technology and the creation of a scalable platform for all channels, including online fulfilment.

The final pillar is building a breakthrough performance culture.

Having worked with all our staff we refined our cross company vision. Together we settled on “to be Australian for innovation and design, loved by the world”.

Delivering our vision demands that we have a tenacious performance resolve and being very disciplined about performance management. It also means strengthening talent and having the right people in the right places, which is what we are doing. I am pleased to say that I can see the changes taking place and the performance resolve taking seed.

So in day to day terms we are increasingly focusing our management time and investment dollars behind our key brands, to drive innovation and to drive opportunities in adjacent categories. In the second half of last year we stepped up our investment in key growth brands Bonds, Berlei and Sheridan and that has continued into the current financial year.

We’re also progressively broadening our channels to market with a view to progressively having more balance over time between the core part of our business – wholesale sales in Australia and New Zealand – and the emerging parts of our business, being the direct channels of B2B and direct-to-consumer, as well as wholesale sales elsewhere in the world – especially for Bonds and Sheridan. To this end we’re continuing to very selectively open more stores – especially for Bonds and Sheridan – as well as continuing to drive growth in our on-line business.

We are also focussed on driving growth in our core categories by delivering high-impact innovation and capturing adjacent category expansion opportunities. The recent launch of our Bonds kids range focussed on kids between 3 and 7 is a key example of this and is further backed up by the recent opening of a Bonds Kids store at Doncaster.

So as you can see - we know what has to be done and we are getting on with it. We would like to be getting more traction and delivering stronger results today – but we are doing what needs to be done to position us for better performance in years ahead.

Trading update and F14 outlook

I'd now like to turn to a trading update and some comments on the outlook for the first half and the full year.

Market conditions have been challenging with no near term signs of improvement.

1Q14 trading has been below expectations and year-to-date sales are down compared to the previous corresponding period. Wholesale replenishment orders and B2B sales are down, while direct-to-consumer sales are up. Underwear and Homewares sales are marginally up, and Workwear, Footwear and Outerwear sales are down.

Preliminary indications are that 1H14 EBIT and NPAT (before significant items) may be materially down compared to the previous corresponding period due to trading conditions, along with increased investment, a continued downturn in the Workwear market (particularly in the Industrials sector) and the non-renewal of certain licences in HFO. However, results will be heavily dependent on 2Q14 trading which accounts for the majority of earnings in the half.

The Company previously announced an expected $11 million profit (no tax effect) on the sale of the Wentworthville site. This sale is due for settlement in December 2013 and the profit is expected to be accounted for in the 1H14 result as a significant item. The significant profit (post tax) is likely to be offset by costs associated with restructuring initiatives.

Based on preliminary indications and subject to ongoing trading conditions, EBIT and NPAT (before significant items) for the full year (F14) are likely to be down, with earnings outcomes largely dependent on sales performance and gross margins.

In conclusion

While retail conditions remain far from ideal and we expect continuing short-term challenges, I can assure you our strategy is well thought-out and our transformation is well advanced.

F14 will be a year of hard work as we continue to navigate through a difficult and, in many ways, unpredictable consumer and economic environment. We will be increasing the investment in our key brands and in new direct channels to market.

We are doing what's needed to reposition and change our businesses, and we're increasing our commitment to innovation in our key brands.

We will continue to invest in these key brands and businesses and our people remain passionate and committed to repositioning this great company in its rightful place as the iconic business all Australians can be proud of.

As I said at the outset, the path forward is clear and although the market remains challenging - it is critical that we stay on course, with a commitment to a strategic transformation that is starting to show clear signs of positive results.

I personally feel confident and resolute about our progress and very much look forward to reporting back to you in 12 months' time.

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PACIFIC BRANDS

2013 Annual General Meeting

24 October 2013

Non-IFRS financial information

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- Other than as indicated, the financial information contained in this document is directly extracted or calculated from the 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 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 (or ‘cash conversion’)

Agenda

- Welcome
- Chairman's address
- Chief Executive Officer's presentation
- Formal business

1. Financial Report
2. Election and re-election of Directors
3. Adoption of Remuneration Report
4. Grant of performance rights to the CEO under the Performance Rights Plan

Chairman’s address for the financial year ended 30 June 2013

Peter Bush
Chairman

Key points

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- **2013 result**
  - Solid result in challenging market conditions
  - Underwear in growth, Workwear impacted by market downturn, HFO mixed performance
  - EPS up 1.9%[1], dividend up 11.1%
  - Sound financial position and strong cash flow
  - Successful refinancing post balance date

- **Current focus is to continue to invest and stabilise performance**
  - No clear sign of improvement in market or trading conditions
  - Need to continue to invest for the medium to long term

- **Confident in long term future**
  - Strategy clearly articulated and being actioned
  - New leadership team and performance environment

1. Before significant items

Chief Executive Officer’s presentation

John Pollaers
CEO

Summary of key financial outcomes

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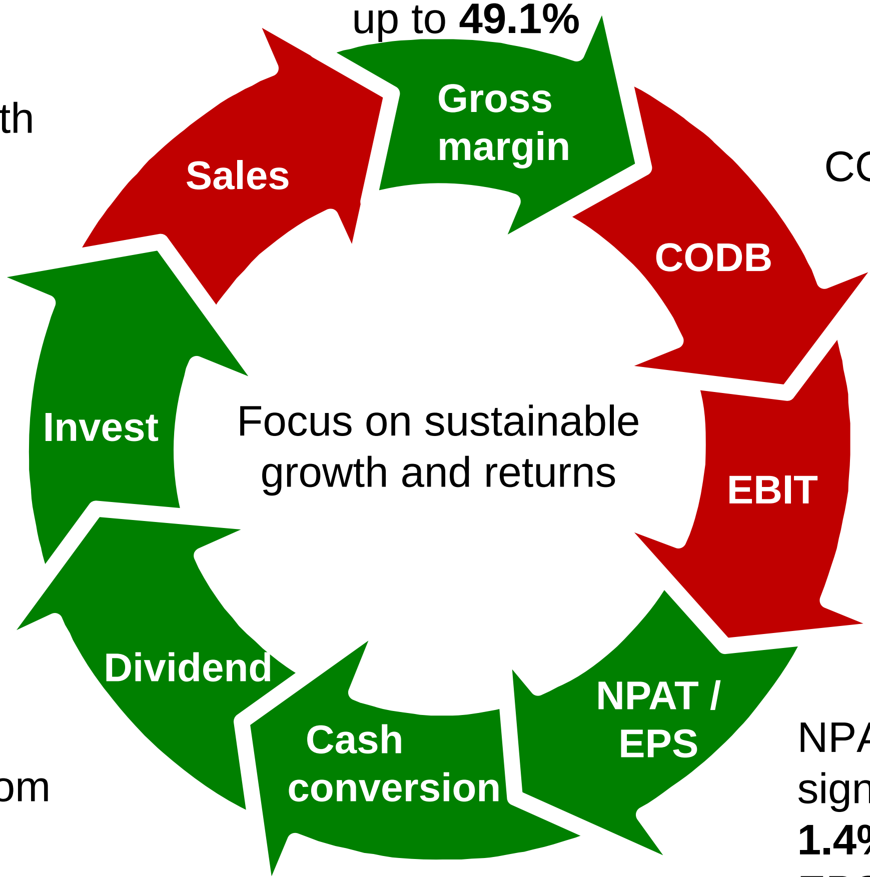
Reported sales down **3.7%** to **$1,273.3m** with underlying sales up **0.3%**[1] in 2H13

Gross margins up to **49.1%**

CODB up **2.8%**



Increased investment in brands and direct-to-consumer (in-store and online)

EBIT (before significant items) down **5.4%** to **$122.1m**

Dividend up **11.1%** to **5.0 cps** fully franked and payout ratio up from **56%** to **62%**

NPAT (before significant items) up **1.4%** to **$73.8m** and EPS (before significant items) up **1.9%**

Strong cash conversion of **107%**[1]

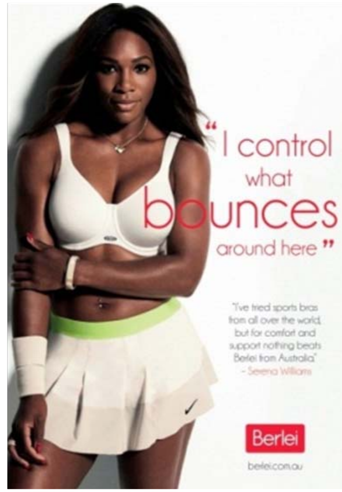
Conservative financial position maintained (gearing of 1.2x, interest cover of 6.8x)

1. Data has not been subject to independent audit

Underwear: Encouraging growth driven by Bonds

$ millions	F13	F12	Change
Sales[1]	453.9	432.5	5.0%
EBIT (reported)[2]	78.1	(330.3)	n.m.
EBIT (pre significant items)	78.1	76.0	2.7%

- Strong growth in Bonds: continued growth in direct-to-consumer and responsive to advertising investment
- Berlei up: sports bra growth, extension into hosiery
- Hosiery brands down: increased private label, late winter season
- Rio down: DDS and supermarkets
- Continued innovation (eg Bonds Collectibles, Berlei Dig Free)
- EBIT margin down overall due to:
  - Investment in store rollout
  - Brand advertising



	Sales $453.9m	Change vs PCP[4] (%)	Change vs PCP[4] ($m)
Key brands[3]	86%[4]	12.8	44.3
Portfolio brands[3]	14%[4]	(26.7)	(22.8)

1. Excluding other segment revenue and inter segment revenue
2. Reported loss due to F12 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 audit

Workwear: Economic downturn impacting sales

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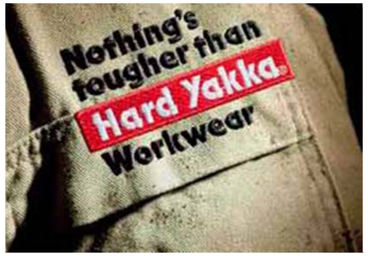
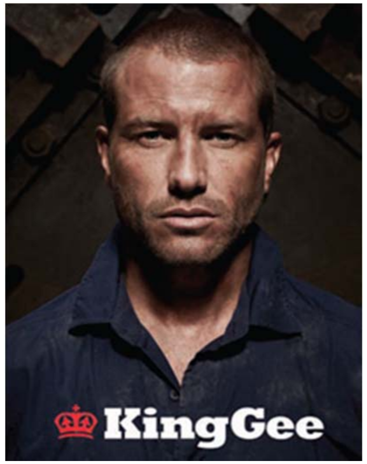
$ millions	F13	F12	Change
Sales[1]	362.7	388.7	(6.7)%
EBIT (reported)[2]	37.4	(16.9)	n.m.
EBIT (pre significant items)	37.4	38.6	(3.1)%

- Major corporate sales steady
  - Contract renewal rates stable
  - Continued contract wins
- But overall B2B, wholesale and retail sales all down:
  - Business confidence weak and fragile
  - Employment growth slow, employee turnover low
  - Reduced government spending; resources slowing
  - Replenishment levels down and retail sales declined eg SME
- EBIT margin maintained due to:
  - Reduced product costs
  - Tight CODB management





1. Excluding other segment revenue and inter segment revenue
2. Reported loss due to F12 impairment of goodwill ($51m)

HFO: Sheridan, premium footwear and Outerwear up but portfolio brands down

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$ millions	F13	F12	Change
Sales[1]	456.7	501.5	(8.9)%
EBIT (reported)[2]	20.9	(42.3)	n.m.
EBIT (pre significant items)	20.9	26.2	(20.2)%

- Underlying sales (excluding divestments) down by 6.8%[3]
- Sheridan sales up: driven by boutiques, online and clearance
- Tontine down: increased private label competition and difficult trading conditions
- Footwear down overall:
  - Key premium licensed brands up (ie Clarks, Hush Puppies), offset by declines in portfolio brands
  - Increased clearance activity and discounting across market
  - Payless administration impact
- Outerwear up: improved performance in both retail and wholesale
- Flooring down: competitive intensity, continued softness in the housing market
- EBIT margin impacted by lower sales and operational leverage

1. Excluding other segment revenue and inter segment revenue
2. Reported loss due to F12 impairment of goodwill ($63m)
3. Data has not been subject to independent audit

Our vision: “To be Australian for innovation and design, loved by the world”

{being} PACIFIC BRANDS

Five strategic imperatives to realise vision

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

Maximise the full potential of each core 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 and supply chain
- Capture economies of scale and scope through a fully integrated sourcing platform
- Improve reliability, flexibility, speed and cost of end-to-end supply chain

How we see the future

{being} PACIFIC BRANDS

Where we have been	Where we are heading
Internally focused on transformation strategy	'We are Australian for innovation and design that is loved by the world'
Complex portfolio of brands with mixed performance	Focused portfolio of key brands delivering consistent growth
Wholesale centric route-to-market while supply chain and portfolio were being optimised	Strong wholesale base balanced with complementary direct channels to market (ie online, other 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 with international markets largely untested	Material international business, especially for Bonds, Sheridan and Workwear

F14 Trading update and outlook

- Market conditions have been challenging with no near term signs of improvement
- 1Q14 trading has been below expectations and year-to-date sales are down compared to the previous corresponding period. Wholesale replenishment orders and B2B sales are down, while direct-to-consumer sales are up. Underwear and Homewares sales are marginally up, and Workwear, Footwear and Outerwear sales are down
- Preliminary indications are that 1H14 EBIT and NPAT (before significant items) may be materially down compared to the previous corresponding period due to trading conditions, along with increased investment, a continued downturn in the Workwear market (particularly in the Industrials sector) and the non-renewal of certain licences in HFO. However, results will be heavily dependent on 2Q14 trading which accounts for the majority of earnings in the half
- The Company previously announced an expected $11 million profit (no tax effect) on the sale of the Wentworthville site. This sale is due for settlement in December 2013 and the profit is expected to be accounted for in the 1H14 result as a significant item. The significant profit (post tax) is likely to be offset by costs associated with restructuring initiatives
- Based on preliminary indications and subject to ongoing trading conditions, EBIT and NPAT (before significant items) for the full year (F14) are likely to be down, with earnings outcomes largely dependent on sales performance and gross margins

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