

PACIFIC BRANDS

ABN 64 106 773 059

23rd February 2009

Level 3
290 Burwood Road
Hawthorn
Victoria 3122
Australia

Ms Julia Kagan
Senior Advisor
ASX Markets Supervision Pty Ltd
Level 45
South Tower
525 Collins St
Melbourne
Vic 3000

PO Box 2370
Hawthorn LPO
Hawthorn
Victoria 3122
Australia

Telephone
(613) 9947 4900
Facsimile
(613) 9947 4951

Dear Julia,

Price Query

We refer to your letter of 20th February, 2009 in relation to the change in price of Pacific Brands Limited ("Pacific Brands") shares.

Referring to the numbering in that letter our response is as follows:

1. As previously announced, Pacific Brands has been considering a number of initiatives including cost savings, brand rationalisation, non-core asset sales and dividend policy. These initiatives are not sufficiently definite to warrant disclosure.
2. See answer to 1 above.
3. No
4. Pacific Brands is currently preparing its financial accounts for the half year ended 31st December 2008 and in that process is reviewing the carrying value of its tangible and intangible assets. In the light of deteriorating economic and market conditions Pacific Brands considers that it may be necessary to announce an impairment to the carrying values of its assets. While the review is not yet finalised, by way of preliminary guidance, Pacific Brands estimates that the potential impairment would be of the order of \$200 million.
5. No
6. Pacific Brands is in compliance with the listing rules and, in particular, rule 3.1

Yours sincerely,



John Grover
Company Secretary



ASX Markets Supervision Pty Ltd
ABN 26 087 780 489
Level 45
South Tower
525 Collins Street
Melbourne VIC 3000

GPO Box 1784
Melbourne VIC 3001

Telephone 61 3 9617 8656
Facsimile 61 3 9614 0303
www.asx.com.au

20 February 2009

Mr John Grover
General Counsel & Company Secretary
Pacific Brands Limited
Hawthorn Victoria 3122

By email only

Dear John

Pacific Brands Limited (the "Company")

RE: PRICE QUERY

We have noted a change in the price of the Company's securities from 31 cents at the close of trade on Wednesday, 18 February 2009 to a high of 37 cents as at the time of writing today.

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

1. Is the Company aware of any information concerning it that has not been announced which, if known, could be an explanation for recent trading in the securities of the Company?

Please note that as recent trading in the Company's securities could indicate that information has ceased to be confidential, the Company is unable to rely on the exceptions to listing rule 3.1 contained in listing rule 3.1A when answering this question.

2. If the answer to question 1 is yes, can an announcement be made immediately? If not, why not and when is it expected that an announcement will be made?

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

3. Is there any reason to think that there may be a change in the operating profit before abnormal items and income tax so that the figure for the half year ended 31 December 2008 would vary from the previous corresponding period by more than 15%? If so, please provide details as to the extent of the likely variation.

4. Is there any reason to think that the Company may record any material abnormal or extraordinary items for the half year ended 31 December 2008? If so, please provide details.

5. Is there any other explanation that the Company may have for the price change in the securities of the Company?

6. Please confirm that the Company is in compliance with the listing rules and, in particular, listing rule 3.1.

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

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than half an hour before the start of trading (ie before 9.30 a.m. E.D.S.T.) on Monday, 23 February 2009.

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

Listing rule 3.1

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

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

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

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

Trading halt

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

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

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

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

Yours sincerely

[Sent electronically without signature]

Julia Kagan
Senior Adviser, Issuers (Melbourne)