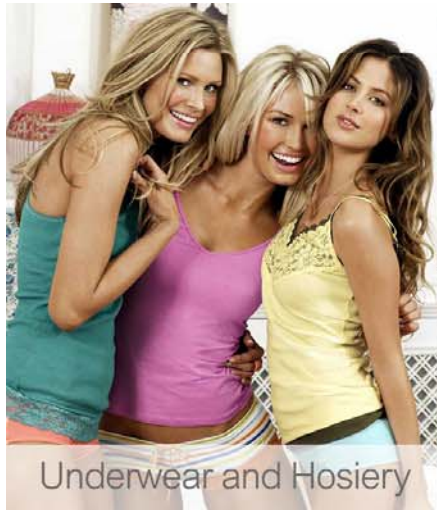


PACIFIC B **R** BRANDS

Annual General Meeting – CEO’s Address

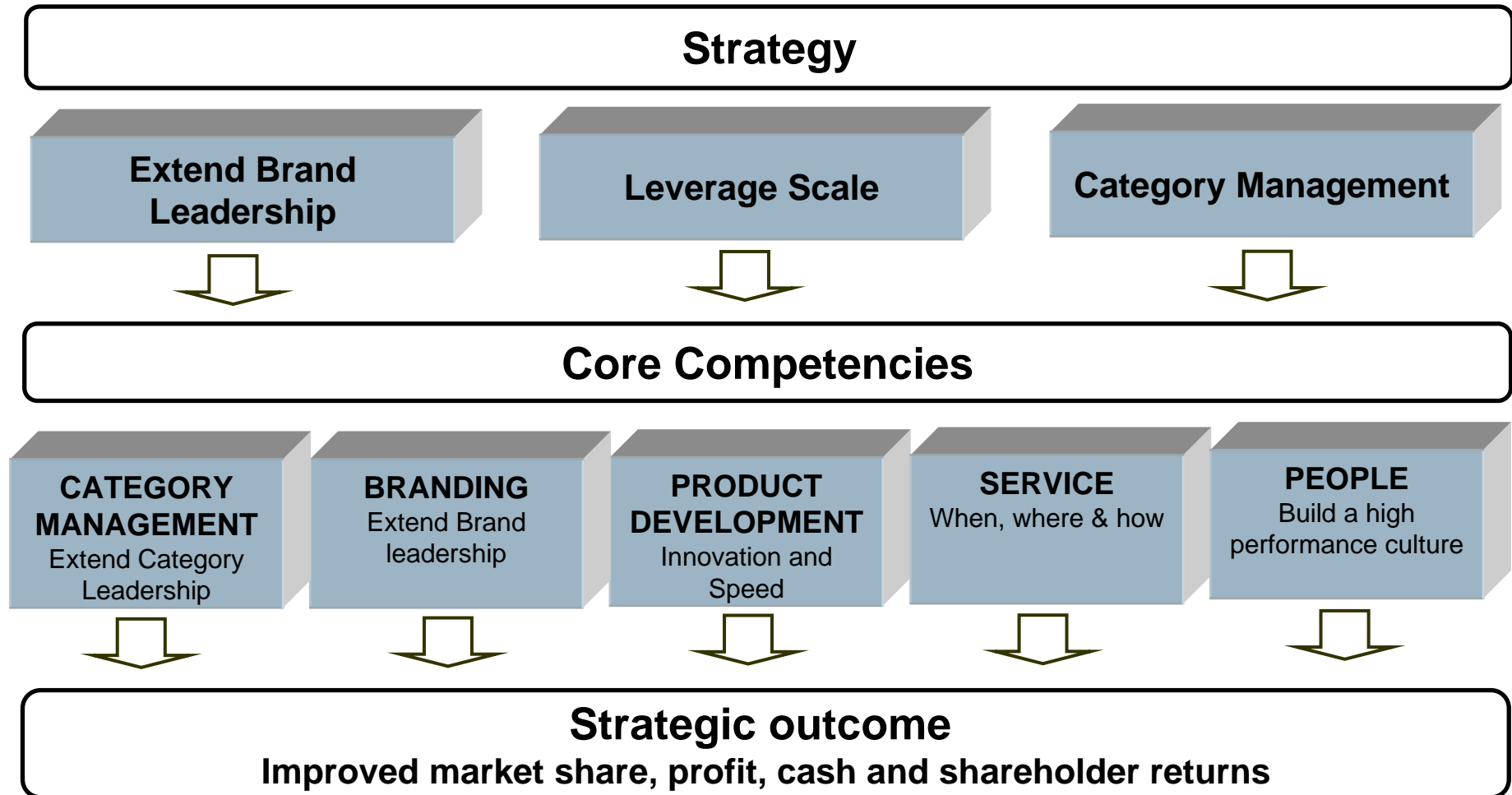
for the financial year ended 30 June 2007



Paul Moore, Chief Executive Officer

23 October 2007

Consistent strategy - solid growth platform



Focus on Strategy – *Category Management*

- Big positions in big categories
- Expertise and resources to enhance existing brand portfolio
- Acquire category defining brands
- Our range extends from ‘everyday’ to ‘super-premium’
- Almost two-thirds of sales derive from Department and Speciality Stores

Focus on Strategy – *Brand Leadership*

- Portfolio of Australian iconic brands
- Our brands are our biggest asset
- We invest heavily in our brands and in understanding the consumer
- Great brands are backed by excellent products
- Increased focus on product development skills and resources
- Brands individually managed to ensure strong link to brand heritage

Focus on Strategy – *Efficiency Through Scale*

- 300million units delivered to more than 23,000 customers
- Scale equivalent to a large logistics company
- Further rationalisation of supplier base
- Greater integration with major customers
- Faster responsiveness with less inventory

Focus on Strategy – *Acquisition*

- Category enhancing acquisitions
- Organic growth supplemented with strategic acquisitions
- Integration benefits achieved quickly - minimal business disruption
- Immediate benefit through 'bolt-on' efficiencies
- Benefits through sourcing integration
- Ongoing benefits through increased marketing activities

Focus on People – *Cornerstone of Success*

- 9,000 dedicated employees
- High performance culture
- An environment where people can reach their full potential
- Engaged and aligned with delivering strategic intent

Trading Environment

- Continuing challenges in the 2007 trading environment
 - Fuel costs, cost of housing, employment rates, interest rates
 - Changing Australian retail environment
 - Continuing change in China

- Appreciation of the AUD
 - Currency one of many changing business inputs
 - Currency improvements will largely offset the negative impact of changes to other business inputs

- Change and challenge have always been present and we will continue to manage effectively

Business Review – *Underwear & Hosiery*

Total net sales ↑ 3.1%

EBITA ↑ 6.9%

- Strong 2H through focus on category, brand and product
- Pacific Brands consolidated its leadership position in the category
- Advertising focussed on big, branded campaigns
- Many new product innovations
- Bonds continued to trade well
- Rio resurgence in 2007

Business Review – *Outerwear & Sport*

Total net sales ↑ 45.8%

EBITA ↑ 21.0%

- Core business restructuring complete
- Strategic review of categories, brands and ranges completed
- Unbranded sales discontinued
- Everlast and King Gee continued to perform well
- Brand Collective and Yakka strengthen existing category positions
- Expect return to profitable growth in 2008

Business Review – *Home Comfort*

Total net sales ↑ 15.3%

EBITA ↑ 24.7%

- Continued core business strength
- Successful integration of Sheridan business
- New state of the art Tontine manufacturing facility
- Sleepmaker position in bedding strengthened through product
- Foams held ground against rising input costs
- Flooring increased market leadership

Business Review – *Footwear*

Total net sales ↑ 0.9%

EBITA ↑ 4.4%

- Held share and increased margin in a volatile market
- Share held though commitment to brands
- Concept stores pilot successful
- 6 million pairs of shoes delivered via Altona Pick'n'Pack facility

Acquisition Update

- Yakka and Brand Collective - category enlarging acquisitions
- Each adds significant and important brands to our portfolio
- Significant synergy benefits available
- Integration progressing well

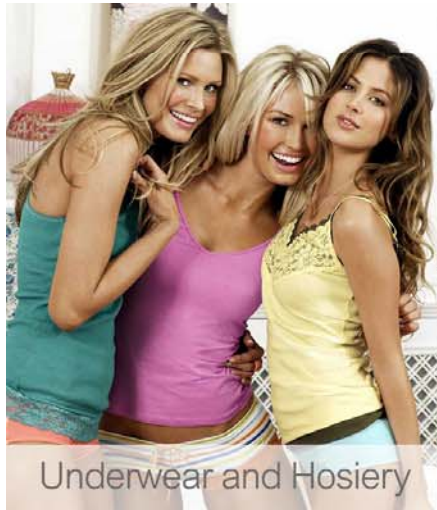
Company Outlook

- Pacific Brands is flexible and responsive to changing needs
- 2007 strong platform for better performance in 2008
- Net sales and EBITA growth expected around 15-20%
- NPAT growth could exceed 10%
- Strong cash position to again feature in 2008
- The year has started strongly
- Our year-to-date performance suggests a full-year result in line with the market's consensus forecast

PACIFIC BRANDS

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Paul Moore, Chief Executive Officer

23 October 2007
