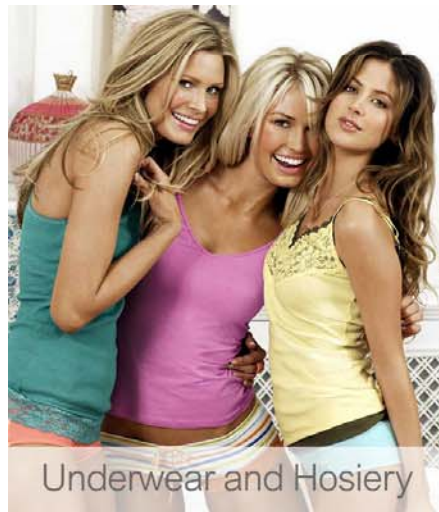


PACIFIC BRANDS

Annual General Meeting – Chairman’s Address

for the financial year ended 30 June 2007



Patrick Handley, Chairman

23 October 2007

Key Themes

- Number 1 or 2 player in our major categories
- Consistent delivery of our strategic direction
- More brand, product and people investments
- More benefits achieved through our scale

Strategic Overview

Consistent “Everyday Branded” Strategy

Extend Brand
Leadership

Leverage Scale

Category Management

- Provides resilience during uncertainty and platform for further growth
- We work hard to attract, retain and develop the best people
- Our scale continues to provide savings and ongoing benefits
- Strong cash flow generation: Good dividends, sensible acquisitions
- Yakka Group and Brand Collective strengthen our position in key categories

Results Highlights

- Net sales \$1,821m (up 12.1%)
- EBITA \$194m (up 12.2%)
- EBITA CAGR 13.5% (over past 5-years)
- NPAT¹ \$107m (up 6.0%)
- EPS¹ 21.3cps (up 6.1%)
- Net operating cash flow \$113m (up 41.1%)

- Strong inventory management

1: NPAT and EPS calculated after tax, but before amortisation of acquired intangibles

Dividends

- Final fully-franked dividend 8.5cps
 - Total annual dividend 16.5cps
 - Payout ratio 78.2%
-
- Pacific Brands intends to maintain high payout ratio

Remuneration Policy

- Provides appropriate balance between performance and reward
- The policy is designed to:
 - Link short and long-term objectives with the company's business plans
 - Link management reward to shareholder value creation
 - Attract and retain the best talent needed to drive the company forward
- High 'at-risk' component to packages
- Short-term and long-term incentives in place
- Long-term incentives require TSR and EPS hurdles to be met

Corporate Governance

- Committed to the ASX Corporate Governance Council's Principles and Recommendations
- Pacific Brands has policies to enact each recommendation
- The policies cover:
 - Board and Committee appointments, reviews and functioning
 - Processes for ongoing maintenance of corporate governance policies
 - Supplier codes of conduct
 - Environmental impact minimisation
- Full details in the annual report and corporate website

Corporate Social Responsibility



- “Brands for Good” program supported and growing strongly
- ‘Cancer prevention and awareness’ & ‘Children/Families at risk’
- Multiple strategic partnerships
- Important environmental initiatives delivered
- Target to reduce emissions by 10% during next financial year

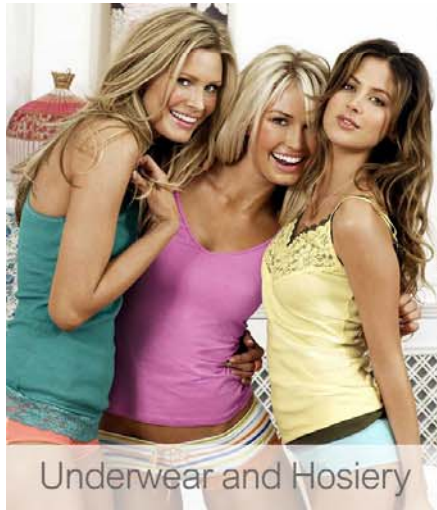
Concluding Comments

- Our strategy delivers sustainable shareholder value growth
- Well positioned to continue growth into next financial year
- Outlook of 15-20% growth in net sales and EBITA
- Board priorities will remain unchanged

PACIFIC BRANDS

Annual General Meeting – Chairman’s Address

for the financial year ended 30 June 2007



Patrick Handley, Chairman

23 October 2007
