

PACIFIC BRANDS

Annual General Meeting

for the period ended 30 June 2004



Paul Moore, Chief Executive Officer

26 October 2004



Group Result Drivers

**O Sales growth
over FY03**

↑ 3.1%

- Increased advertising and marketing support**
 - Double-digit growth in key “make-over” brands**
 - Product development and innovation**
 - Continued elimination of**
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PACIFIC BRANDS

unprofitable/unbranded sales

Group Result Drivers

O EBITA

↑ 22% over FY03

- Strong earnings in Underwear & Hosiery**
- Margin improvement**
- Integration of recent acquisitions**
- Operational efficiencies (Brave New Way)**

Group Results Drivers

O Cash flow

↑ 32.9% over FY03

- Low capital intensity**
- Financial flexibility**
- To be used for targeted acquisitions or capital management**

Business Drivers

Three Major Drivers

People

Brands

Products

Brand Development

- Commitment to brands
- Develop existing portfolio
- Introduction of Merrell footwear brand
- Launch Kenneth Cole fashion footwear
- Esprit footwear and homewares

Outerwear & Sport

FY04 Sales ↓ **2.8% over FY03**

FY04 EBITA ↓ **13.7% over FY03**

- **Management and supply issues at KingGee**
- **Significant elimination of unprofitable sales**
- **Difficult market conditions in sporting equipment and hard goods categories**
- **Focus on increased brand support**

Market Outlook

- **No significant impact from changing market conditions**
- **China entering the WTO**
- **Tariff reductions in clothing and footwear**

Brave New Way - Update

- **Driven operational efficiencies**
- **Lowered supply chain costs and improved flexibility**
- **Reduced complexity in product range**
- **Developed product introduction criteria and metrics**
- **Improved management of working capital**

Forecasts

- **Further benefits to be realised from Brave New Way**
- **Close working relationships with suppliers and customers**
- **Further reduction in unprofitable sales**
- **Low to mid single-digit sales growth**
- **Double-digit profit growth - over achievement of prospectus earnings forecasts by similar percentage as FY04**
- **Trading for first three months in line with expectations**

PACIFIC BRANDS



Berlei

BONDS

Clarks
CHILDRENS

DUNLOP
SPORT

FRUIT
FLAVOUR

Grosby

Holeproof.

Hush Puppies

KingGee

Slazenger.

Sleepmaker.

TONYNE