Full Year Results Presentation

for the financial year ended 30 June 2005

22 August 2005

Paul Moore, Chief Executive Officer and Stephen Tierney, Chief Financial Officer

Agenda

1. Solid result achieved in FY2005

2. Strategy delivers profitable growth—the power of Everyday Essential Brands

3. Performance by Operating Group

4. FY 2005 Financials

5. FY 2006 Outlook

Solid result achieved in FY2005

Paul Moore, Chief Executive Officer

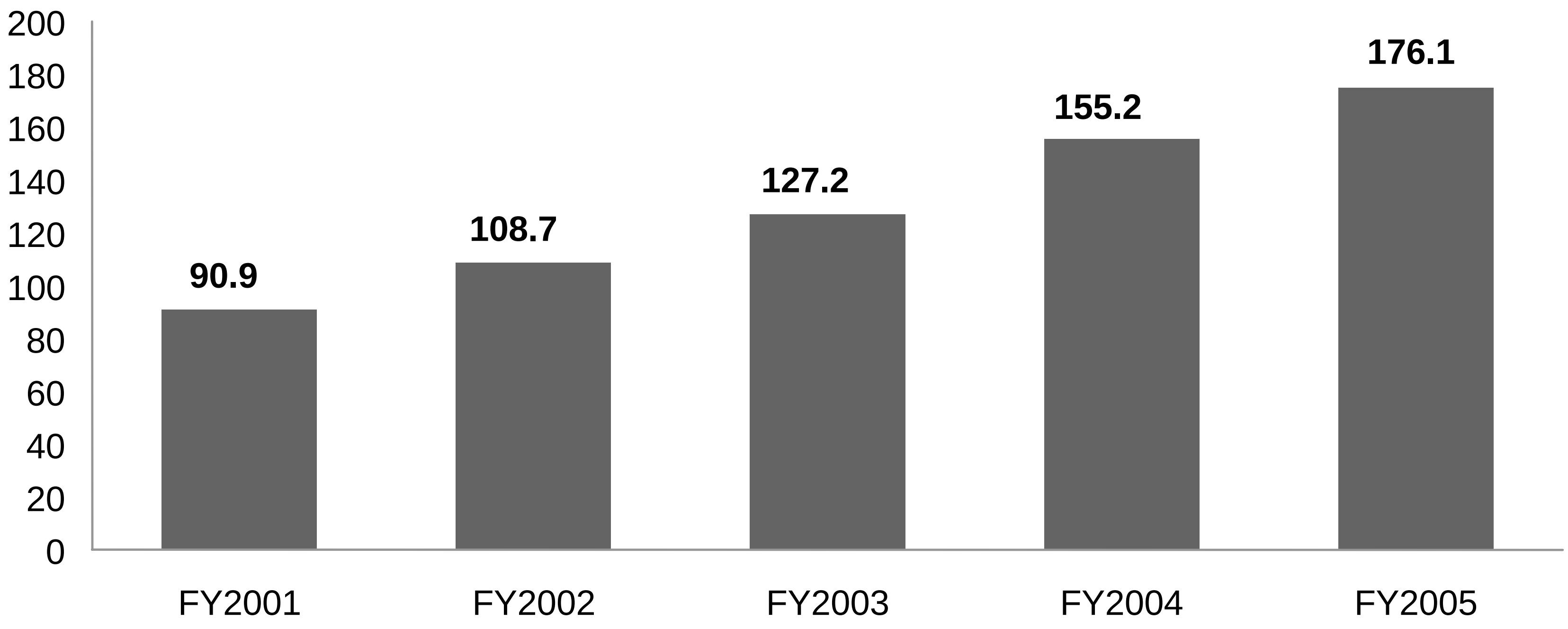
FY2005 highlights

- $176.1 m in EBITA, 13.5 % growth
- $102.5 m in NPAT (pre goodwill amortisation), 16.0% growth
- EPS of 20.4 cents, 16.0% growth
- $75.1 m net operating cashflow, $110.5 m generated in 2H05
- $1,381.1 m in branded net sales, 1.5% growth
  - $1,521.7 m total net sales, down 0.9%
- $255.4 m in stock, in line with guidance
- 7.5 cps final dividend declared, 15.0 cps total annual dividend

Solid result in a changing operating environment

Strong earnings performance

Group EBITA ($ million)



Compound annual growth rate of 18%

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In a changing operating environment

- Fluctuating consumer confidence
- Slower growth in retail spend
- China's entry to the WTO
- Retail discount environment
- Greater replenishment ordering
- More stable AUD

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Strategy delivers profitable growth
- the strength of Everyday Essential Brands

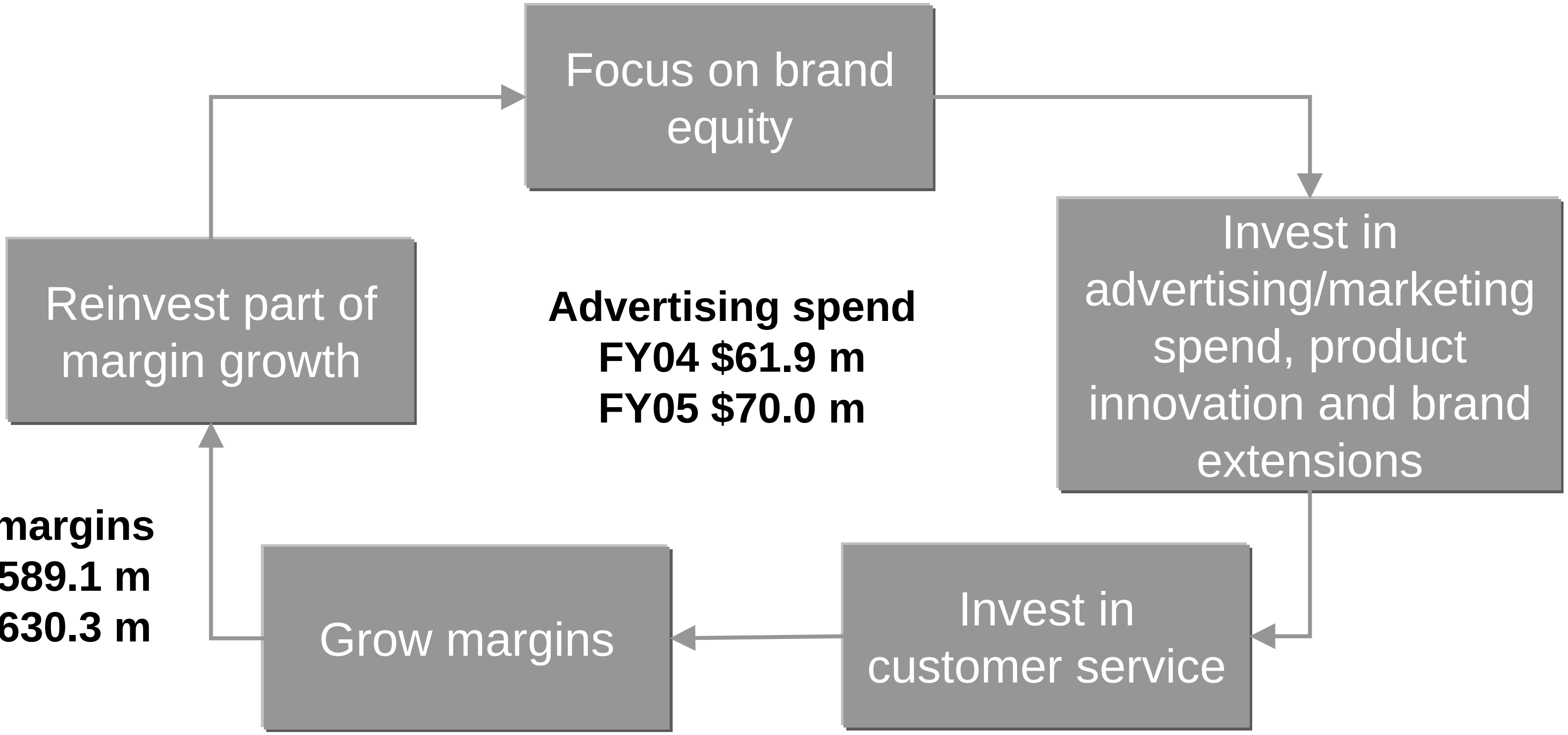
Our strategy

- Building brand equity
  - Advertising and marketing
  - Product development and innovation
- Driving operational efficiency
  - Leveraging scale
  - Brave New Way initiatives
- Acquisition growth

Our sustainable competitive advantage - Brands, Products, People and Sourcing

Building brand equity

Greater investment behind strategic and growth brands

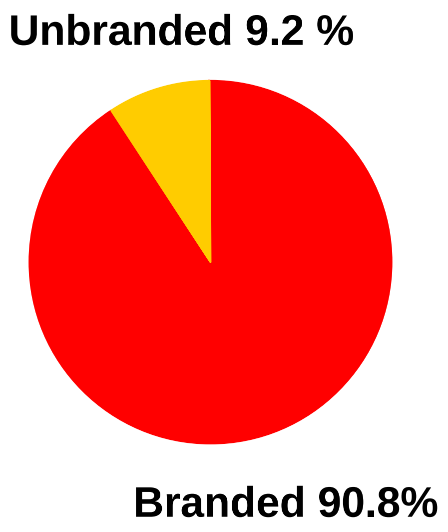


Gross margins
FY04 $589.1 m
FY05 $630.3 m

Brand investment and marketing drives gross profit and brand equity

Branded sales

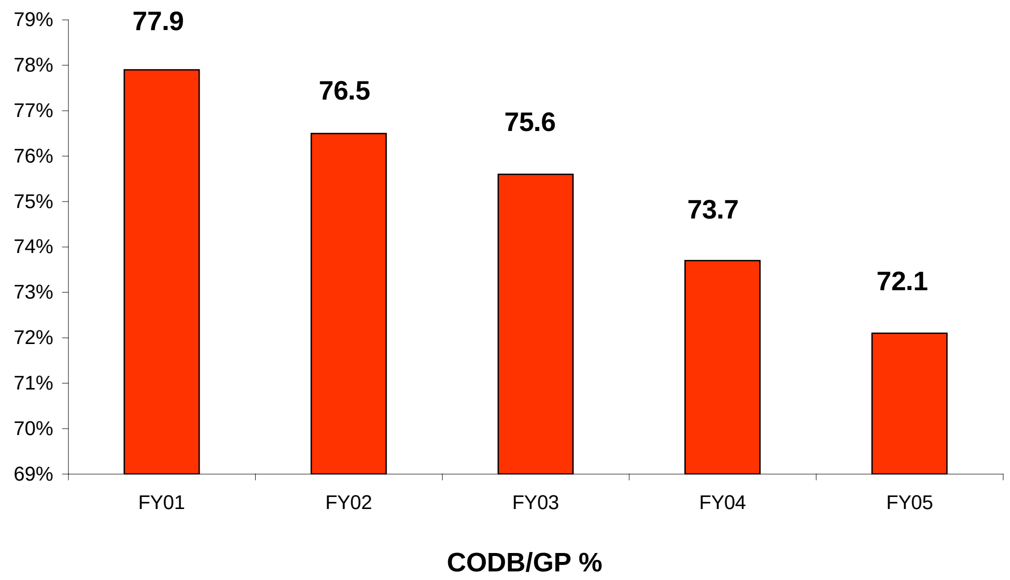
- Brands account for 90.8% of sales (FY2004 88.7%)
- Branded net sales up 1.5%
- Branded net sales excluding Outerwear & Sport up 3.8%
- Unaided awareness—brand equity measures:
  - 86% Bonds
  - 90% King Gee
  - 45% Berlei (#1 in intimates)
  - 58% Tontine pillows (#1 in pillows)
- Grosby and Hush Puppies—first and second most well known footwear brands



Everyday Essential Brands drive growth

Reduction in expenses to gross profit

- CODB decreasing as % of GP
- Targeted expense increases contribute to GP improvement
  - greater retail service requirements
  - consumer advertising
- Operational improvements
  - Leverage scale across all businesses
  - Improved inventory management and purchasing systems
  - Reduced "cost of regret"



Expenses managed against gross profit

Asian sourcing

- Long history—over 50 years
- Increased commitment to Asia
  - Manage end to end process in house
  - Over 120 staff, planned - 150
  - 4 offices (Hong Kong, Shanghai, Taiping, Shanjaio)
  - More development and quality control performed in China
  - Sourcing experts aligned to each business or product category
  - Leveraging our scale across the business will achieve further efficiencies
- Concentration on fewer suppliers
  - 80% of volume from Top 20 suppliers
- Increasing deliveries ex factory or Chinese consolidation point, direct to retailer

Sourcing from China—a competitive advantage

Brave New Way

Initial focus

- GP improvement
  - Product introduction rules—less "cost to quit"
- Complexity reduction
  - 65% of businesses completed review
- Strategic Sourcing
  - Savings in freight, communications, travel, office equipment

Next phase of initiatives

- Category planning
  - Consistent "go to market" approach
  - Greater market insights
- Continued operational Effectiveness

Process of continuous improvement

Key performance measures

$ million	FY2004PF	FY2005	% change
Branded net sales	1,361.3	1,381.1	1.5
Total sales	1,535.1	1,521.7	(0.9)
Gross profit	589.1	630.3	7.0
CODB/GP (%)	73.7	72.1	
EBITA	155.2	176.1	13.5
EBITA margin (%)	10.1	11.6	
EPS (pre-goodwill amortisation) cents	17.6	20.4	16.0
Working capital/sales (%)	19.8	21.5	
Inventory	253.6	255.4	0.7
Inventory turnover (times)	3.7	3.4	
Net operating cashflow	110.3	75.1	(31.9)

Performance by Operating Group

Sales by operating group

$ million	FY2004PF	FY2005	% change
Branded sales			
Outerwear & Sport	259.8	237.8	(8.5)
Underwear & Hosiery	581.3	581.6	0.1
Home Comfort	280.4	294.7	5.1
Footwear	207.4	228.3	10.1
Other	32.4	38.7	19.4
Group branded sales	1,361.3	1,381.1	1.5
Domestic	1,307.0	1,327.3	1.6
International	54.3	53.8	(0.9)
Group branded sales	1,361.3	1,381.1	1.5
Unbranded	173.8	140.6	(19.1)
Total Group sales	**1,535.1**	**1,521.7**	**(0.9)**

Domestic branded sales growth is the key focus

EBITA by operating group

$ million	FY2004PF	FY2005	% change
EBITA			
Outerwear & Sport	24.4[1]	21.4	(12.3)
Underwear & Hosiery	90.3	99.6	10.3
Home Comfort	27.7	33.3	20.2
Footwear	22.4[1]	30.6	36.6
Unallocated overheads	(9.6)	(8.8)	8.3
Total Group EBITA	155.2	176.1	13.5

Note:

- Dunlop Footwear business reallocated from Outerwear and Sport to Footwear from 1 July 2004

Key contributor—branded, profitable sales

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Outerwear & Sport

Year ended 30 June (A$m)	FY2004PF	FY2005	% change
Branded Sales	259.8	237.8	(8.5)
Unbranded Sales	29.6	21.6	(27.0)
Total Sales	289.4	259.4	(10.4)
EBITA	24.4	21.4	(12.3)
EBITA margin	8.4%	8.2%	

- New management team
- Turn around continues
  - 2H EBITA up 43.9%—shift in sales mix towards stronger brands
  - 4th QTR Total sales up 2.5% pcp
  - Core brands—Dunlop, Everlast , King Gee, Lightning Bolt, Slazenger, Stubbies
- Increased focus on operational improvements and expense reduction - King Gee sourcing moved from Fiji to China
- Sporting equipment market remains flat

2H improvement—branded sales and cost control

Underwear & Hosiery

Year ended 30 June (A$m)	FY2004PF	FY2005	% change
Branded Sales	581.3	581.6	0.1
Unbranded Sales	85.9	65.9	(23.3)
Total Sales	667.2	647.5	(3.0)
EBITA	90.3	99.6	10.3
EBITA margin	13.5%	15.4%	

- Men's branded underwear up 6.9%
  - Holeproof Hunk, Jockey performance & Bonds
- Brand development & innovation
  - 'Hoodie and Trackie' campaigns lift fleece sales over 50%
  - Growth in Holeproof branded socks, Computer Socks (Donald Trump campaign), Slipper sock and Explorer campaigns
  - Strong Berlei sales supported by 'Barely There' launch
- Significant investment in automated hosiery and sock equipment
- Shanghai office expanded, Taiping office opened
- Small licensed acquisition

Brand investment and category management drives margin growth

Home Comfort

Year ended 30 June (A$m)	FY2004PF	FY2005	% change
Branded Sales	280.4	294.7	5.1
Unbranded Sales	14.3	14.1	(1.4)
Total Sales	294.7	308.8	4.8
EBITA	27.7	33.3	20.2
EBITA margin	9.4%	10.8%	

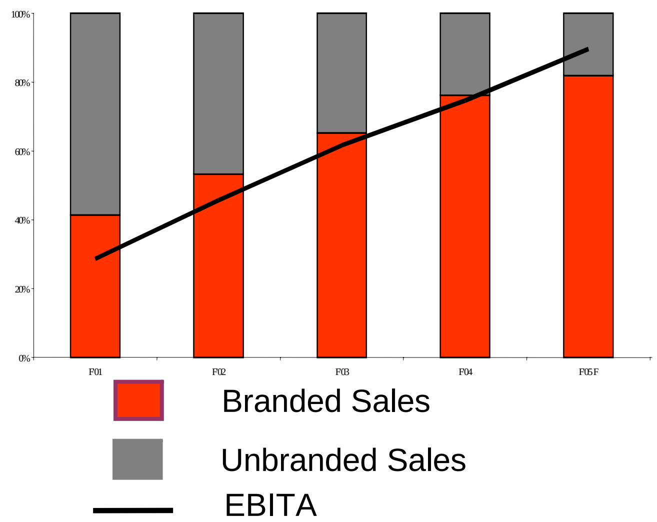
- Tontine sales strong - pillows and quilts
- Launched Esprit bed linen
- Bedding improvement driven by Serta and Sleepmaker
- New segments for Foam business - hospitality, bedding, transport
- Market share gains in flooring
- Operational efficiencies—Spring Plant closed and outsourced to China, supply agreement with Leggett & Platt

Sales growth and operational efficiencies combine for strong result

Footwear

Year ended 30 June (A$m)	FY2004PF	FY2005	% change
Branded Sales	207.4	228.3	10.1
Unbranded Sales	44.0	38.9	(11.6)
Total Sales	251.4	267.2	6.3
EBITA	22.4	30.6	36.6
EBITA margin	8.9%	11.5%	

- Continued sales growth in Hush Puppies, Grosby, Julius Marlow and Naturalizer
- Effective category management—“right brand, right channel, right price point”
- Innovative product development—Hush Puppies “Apache” and Grosby “Fluffy Boot”
- Cannes Bronze Lion award won by Grosby “Free Step”
- Future opportunities through strategic alliances—Wolverine and Brown Shoe



Branded strategy continues to deliver superior result

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FY2005 Financials

Stephen Tierney, Chief Financial Officer

Summary financial performance

$ million	FY2004PF	FY2005	% Change
Total Sales	1,535.1	1,521.7	(0.9)
Gross margin	589.1	630.3	7.0
EBITDA	171.6	191.3	11.5
Depreciation	16.4	15.2	(7.3)
EBITA	155.2	176.1	13.5
Amortisation	41.0	41.4	1.0
EBIT	114.2	134.7	18.0
Net Interest	31.2	32.6	4.5
Tax	35.4	41.0	15.8
NPAT (post goodwill amortisation)	47.4	61.1	28.9
NPAT (pre goodwill amortisation)	88.4	102.5	16.0
Gross margin (%)	38.4	41.4	
EBITDA margin (%)	11.2	12.6	
EBITA margin (%)	10.1	11.6	
EPS (pre goodwill amortisation) (cents)	17.6	20.4	16.0

Summary financial position

$ million	FY2004PF	FY2005	% Change
Working capital	304.5	327.7	7.6
Property, plant and equipment	171.9	174.0	1.2
Intangibles	1,199.8	1,164.0	(3.0)
Other	(48.0)	(39.1)	(18.3)
Total capital employed	1,628.2	1,626.6	0.1
Net debt	(394.3)	(391.6)	(0.7)
Equity	1,233.9	1,235.0	0.1
Net debt / equity (%)	32.0	31.7	
Gearing (x)	2.3	2.0	
Interest Cover (x)	5.0	5.4	
DPS[1]	3.5	15.0	

Note:

- FY2004 only 3 month dividend as listed on 6 April 2004

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Working capital

$ million	FY2004PF	FY2005	% Change
Trade Receivables	161.6	174.7	8.1
Inventories	253.6	255.4	0.7
Trade Creditors	(110.7)	(102.4)	(7.5)
Working Capital	304.5	327.7	7.6
Working Capital / sales	19.8%	21.5%	
Debtors Days	41 days	44 days	
Inventory turnover	3.7 times	3.4 times	

- Continued changes in retail buying patterns
  - Heavier reliance on replenishment
  - Unusually late winter season
- Stock in line with expectations after WTO safety stock levels brought in at 1H05
- Lower creditors balances due to earlier payments of inventory—movement away from remaining term LC's

Summary Cash Flow

$ million	FY2004PF	FY2005	1H05	2H05
EBITA	155.2	176.1	90.6	85.5
Depreciation	16.4	15.2	7.6	7.6
Operating Cash Profit	171.6	191.3	98.2	93.1
Net Interest paid	(29.8)	(30.0)	(15.5)	(14.5)
Tax Paid	(31.2)	(31.3)	(20.7)	(10.6)
Change in working capital	21.3	(22.4)	(73.0)	50.6
Other	(3.2)	(13.6)	(15.9)	2.3
Capex	(18.4)	(18.9)	(8.5)	(10.4)
Net Operating Cashflow	**110.3**	**75.1**	**(35.4)**	**110.5**
Acquisitions		(9.6)		
Proceeds of Borrowings		0.4		
Dividends Paid		(55.3)		
Other		(7.2)[1]		
Net Cash flow		**3.4**		

Note:
- Translation of opening cash balances held in Foreign Exchange ($1.6m) and Stamp Duty Paid in respect of the purchase of Pacific Brands Holdings Pty Ltd - $5.6m (on float)

Final dividend

- Final dividend of 7.5 cents per share
  - Record date: 1 September 2005
  - Payment date: 3 October 2005
- Total annual dividend of 15.0 cents per share
- 100% franking for Australian shareholders at 30% tax rate
- Maintain high payout ratio - this year 73.6% of NPAT before amortisation
- DRP to remain in place

Expected AIFRS changes from 1 July 2005

- 2005 comparatives will be restated
- No longer include amortisation expense - $41.4 m (Goodwill and intangibles subject to impairment test)
- Share based payments (performance rights) will be expensed
- All expected amounts quantified in Appendix 4E statement
- Adjustments are not expected to affect cashflow

$ million	**FY2005**
NPAT	61.0
Goodwill Amortisation	41.4
Share based payments	(1.5)
NPAT (AIFRS)	100.9

Outlook for FY2006

Paul Moore, Chief Executive Officer

FY 2005 summary

- Solid result in changing environment—achieved guidance
- Growth in branded business
- Margin improvement
- Continued focus on operational efficiencies
- Inventory and cash in line with our needs

Everyday Essential Brands deliver sustainable growth

FY2006 key areas of focus and outlook

- Branded, profitable sales growth
- Brand investment and product development
  - Explorer Women's and Babies, Bonds Intimates, Relaunch Antz Pantz, Relaunch Hestia, Summer campaign for Hush Puppies, New G's for KingGee
- Continued focus on total profit improvement
- Supply chain efficiencies and increased direct shipments
- Manage CODB as a % of GP
- Working capital management
- Ongoing review of potential acquisitions

Focus on branded sales and profit improvement

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Questions

Appendices

Definitions

- **Net operating cashflow—**cashflow from operations less interest, tax and capital expenditure
- **Pro forma FY 2004—**as the Company only commenced trading on 6 April 2004, the 2004 results reflect the company's earnings had it been an entity with the same corporate and capital structure for the full year ended 30 June 2004
- **CODB—**expenses (freight & distribution, sales & marketing, advertising, IT and administration) below margin
- **Inventory Turnover—**calculated on a 3 point average
- **Gross Profit—**excludes interest income
- **Domestic sales—**includes sales of products within Australia and New Zealand
- **International sales—**sales to the rest of the world (excluding Australia and New Zealand)

Reconciliation of Profit

$ million	FY2004PF	FY2005	% change
Net Sales	1,535.1	1,521.7	(0.9)
Other Revenue	22.9	19.0	(17.0)
Total Revenue	1,558.0	1,540.7	(1.1)
Cost of Goods Sold	(968.9)	(910.4)	(6.0)
Gross Profit	589.1	630.3	7.0
Freight and Distribution	(88.6)	(97.1)	9.6
Sales and Marketing	(186.1)	(188.0)	1.0
Advertising	(61.9)	(70.0)	13.1
IT	(18.2)	(19.5)	7.1
Admin	(79.1)	(79.6)	0.6
EBITA	155.2	176.1	13.5
Amortisation of Goodwill	(41.0)	(41.4)	1.0
EBIT	114.2	134.7	18.0
Net Interest	(31.2)	(32.6)	4.5
Tax	(35.4)	(41.0)	15.8
Profit After Tax	47.6	61.1	28.4
OEI	(0.2)	(0.1)	(50.0)
Profit After Tax post OEI	47.4	61.0	28.7

Sales by Geographical Region

$ million	FY2004PF	FY2005	% Change
Australia	1,307.3	1,298.5	(0.7)
New Zealand	135.8	140.9	3.8
Rest of World	92.0	82.3	(10.5)
Total Sales	1,535.1	1,521.7	(0.9)
% Australia	85.2%	85.3%	

Sales by Customer Channel

$ million	FY2004PF	FY2005	% Change
Department Stores	188.2	197.3	4.8
Discount Department Stores	514.5	490.3	(4.7)
Speciality Stores	235.5	247.2	5.0
Supermarkets	106.1	101.4	(4.4)
Independents/other	398.8	403.2	1.1
International	92.0	82.3	(10.5)
Total Sales	1,535.1	1,521.7	(0.9)