

PACIFIC BRANDS

19 May 2009

The Manager
Company Announcements Office
Australian Securities Exchange
Level 4
20 Bridge Street
SYDNEY NSW 2000

Market Information Services
NZX Limited
Level 2, NZX Centre
11 Cable Street
Wellington
New Zealand

Dear Sir/Madam,

Please find attached, for release to the market, the Retail Entitlement Offer Booklet relating to the retail component of the Pacific Brands Limited ("Pacific Brands") Entitlement Offer announced on Monday, 11 May 2009. This will be mailed to Eligible Retail Shareholders today. It contains:

- A letter from Pacific Brands' Chairman
- Key Dates for the Retail Entitlement Offer
- ASX Offer Announcements
- How to Apply
- Important Information

Yours faithfully
Pacific Brands Limited



John Grover
Company Secretary

PACIFIC BRANDS

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Yours faithfully
Pacific Brands Limited



John Grover
Company Secretary

RETAIL ENTITLEMENT OFFER

DETAILS OF A 3 FOR 4 NON-RENOUNCEABLE
PRO-RATA ENTITLEMENT OFFER OF PACIFIC BRANDS
ORDINARY SHARES (“NEW SHARES”) AT AN ISSUE PRICE
OF \$0.60 PER NEW SHARE

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO,
OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS**

This is an important document which is accompanied by an Entitlement and Acceptance Form and both should be read in their entirety. Please call your professional advisor or the Pacific Brands Shareholder Information Line if you have any questions.

PACIFIC B  BRANDS

PACIFIC BRANDS LIMITED
ABN 64 106 773 059

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Abbotsford
Victoria 3067

New Zealand

Computershare Investor Services
Level 2/159 Hurstmere Road
Takapuna North Shore City
Auckland

Website: www.computershare.com

WEBSITE:

To view annual reports, shareholder and company information, news announcements, background information on Pacific Brands' businesses and historical information, visit Pacific Brands' website at www.pacificbrands.com.au

PACIFIC BRANDS SHAREHOLDER INFORMATION LINE:

- Australia 1300 132 632
- International +61 3 9415 4184

Open 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer period.

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**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO,
OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS**

19 May 2009

Dear Shareholder,

Pacific Brands Limited Equity Raising – Retail Entitlement Offer

On behalf of Pacific Brands Limited (“Pacific Brands”), I am pleased to invite you to participate in an accelerated non-renounceable pro-rata entitlement offer and subscribe for 3 new Pacific Brands ordinary shares (“New Shares”) for every 4 existing Pacific Brands ordinary shares (“Existing Shares”) held at 7:00pm (AEST) on the record date of 14 May 2009 (“Entitlement”) at an issue price of \$0.60 per New Share (the “Entitlement Offer”). You may also apply for New Shares in excess of your Entitlement up to a maximum of two times your full Entitlement.

On 11 May 2009, Pacific Brands announced its intention to raise up to \$256 million through an institutional placement (“Placement”) and Entitlement Offer, of which approximately \$165 million was raised through the Placement and institutional component of the Entitlement Offer (together the “Institutional Offer”).

This letter relates to the retail component of the Entitlement Offer (“Retail Entitlement Offer”), which will raise approximately a further \$91 million.

The Institutional Offer and Retail Entitlement Offer are fully underwritten by UBS AG, Australia Branch.

Pacific Brands intends to use the proceeds of the Entitlement Offer (including the Placement) to repay debt and for working capital purposes which will strengthen Pacific Brands’ balance sheet. In these unpredictable and volatile economic times, I believe that this will provide Pacific Brands with financial flexibility to position our business to withstand any further softening in the retail environment and to allow Pacific Brands to implement strategies and maximise opportunities through the business cycle.

You will find enclosed in this mail pack the following important information, including:

- Key dates for the Retail Entitlement Offer;
- ASX announcements and investor presentation relating to the Entitlement Offer (which were also announced on the NZX on which the Pacific Brands ordinary shares are also quoted);
- instructions on “How to Apply” setting out how to accept all or part of your Entitlement or apply for Additional New Shares in the Retail Entitlement Offer if you choose to do so;
- Important Information; and
- an Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions provided on the form and the instructions on “How to Apply”.

Please note that the ASX announcement and investor presentation relating to the Entitlement Offer was made on 11 May 2009. At that time, only the Institutional Offer was underwritten. However given the strong demand for the Institutional Entitlement Offer and Placement, the Retail Entitlement Offer is now also fully underwritten. Please read the ASX announcement and investor presentation with this subsequent development in mind.

The Retail Entitlement Offer closes at 5.00pm (AEST) on Thursday, 4 June 2009. To participate, you need to ensure that your completed Entitlement and Acceptance Form (with your Application Monies) is received by Pacific Brands before this time and date OR that you have paid your Application Monies via Bpay¹® in accordance with the instructions that are set out on the Entitlement and Acceptance Form. Please refer to the instructions on "How to Apply" that accompany this letter for further information.

Entitlements are non-renounceable and will not be tradeable on ASX or NZX or otherwise transferable. Shareholders who do not take up their Entitlement in full will not receive any value in respect of those Entitlements they do not take up. Shareholders are able to apply for more shares than their Entitlement.

You should consult your stockbroker, accountant, solicitor or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

For further information regarding the Retail Entitlement Offer, please call the Pacific Brands Shareholder Information Line on 1300 132 632 (local call cost from within Australia) or +61 3 9415 4184 (outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer period or visit our website at www.pacificbrands.com.au.

On behalf of the Board of Pacific Brands, I thank you for your continued support during these uncertain times and I recommend the Retail Entitlement Offer to you.

Yours faithfully



James MacKenzie
Chairman

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO,
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Forward looking statements, opinions and estimates provided in this letter are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward looking statements including projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance.

This letter, and the accompanying ASX announcements, investor presentation, Retail Entitlement Offer Booklet and Entitlement and Acceptance Form do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act")) ("U.S. Person"). The New Shares offered in the Entitlement Offer have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons absent registration or in a transaction exempt from or not subject to the registration requirements of the Securities Act.

¹ ® Registered to BPAY Pty Limited ABN 69 079 137 518

KEY DATES FOR THE RETAIL ENTITLEMENT OFFER

Event	Date
Record Date for the Entitlement Offer	Thursday, 7:00 pm (AEST) on 14 May 2009
Mailing of Entitlement and Acceptance Form to Eligible Retail Shareholders	Tuesday, 19 May 2009
Retail Entitlement Offer opens	Tuesday, 19 May 2009
Retail Entitlement Offer closes	5:00 pm (AEST) on Thursday, 4 June 2009
Retail Entitlement Offer settlement date	Thursday, 11 June 2009
Issue of New Shares under the Retail Entitlement Offer	Friday, 12 June 2009
Normal trading of New Shares issued under the Retail Entitlement Offer expected to commence on ASX and NZX	Monday, 15 June 2009
Dispatch of holding statements and CHESS notices	Tuesday, 16 June 2009

Note: All times and dates refer to Australian Eastern Standard Time (AEST).

Applicants are encouraged to submit their Entitlement and Acceptance Form and Application Monies as soon as possible after the Retail Entitlement Offer opens. Pacific Brands, in conjunction with the Lead manager, reserves the right, subject to the *Corporations Act 2001* (Cth) ("Corporations Act"), ASX Listing Rules and other applicable laws, to vary any of the above dates of the Retail Entitlement Offer, including extending the Retail Entitlement Offer or accepting late applications, either generally or in particular cases, without notice. No cooling off rights apply to the Retail Entitlement Offer.

Enquiries

If you are in doubt as to the course you should follow you should consult your stockbroker, accountant, solicitor or other independent professional adviser. If you:

- have questions on how to complete the Entitlement and Acceptance Form or take up your Entitlement; or
- have lost your Entitlement and Acceptance Form and would like a replacement form;

please call the Pacific Brands Shareholder Information Line on 1300 132 632 (local call cost within Australia) or on +61 3 9415 4184 (from outside Australia) at any time from 8.30am to 5:30pm (AEST) Monday to Friday during the Retail Entitlement Offer period.

Website: www.pacificbrands.com.au



ASX and Media Release

Monday, 11 May 2009

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS

PACIFIC BRANDS LIMITED ANNOUNCES EQUITY CAPITAL RAISING TO RAISE UP TO \$256 MILLION

Pacific Brands Limited ("Pacific Brands") today launched an equity capital raising to raise up to \$256 million through an accelerated non-renounceable entitlement offer and institutional placement (the "Offer").

The proceeds of the Offer will be used to reduce existing debt and for working capital purposes. The institutional component of the Offer of \$154 million is fully underwritten.

Chief Executive Officer, Ms Sue Morphet, said: "This capital raising will improve Pacific Brands' balance sheet and provide the company with additional financial flexibility."

"The raising will place Pacific Brands in a much stronger financial position and better position the company to withstand any further softening in the retail environment."

"Based on the underwritten proceeds of \$154 million, the company's pro-forma gearing will be reduced from 3.2x to 2.6x."

"The raising will allow Pacific Brands to continue to implement strategies and maximise opportunities through the business cycle."

As previously announced, Pacific Brands has recently refinanced its debt facilities and the next significant maturity will not be until March 2012.

Overview of the Offer

The capital raising comprises a \$30 million fully underwritten institutional placement ("Placement") and a non-renounceable 3 for 4 pro-rata entitlement offer ("Entitlement Offer") to all eligible shareholders.

The Entitlement Offer comprises a fully underwritten institutional component of \$124 million ("Institutional Entitlement Offer") and a non-underwritten retail component of up to \$102 million ("Retail Entitlement Offer").

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 3 new Pacific Brands shares ("New Shares") for every 4 existing Pacific Brands shares ("Existing Shares") held as at 7:00pm (AEST) on 14 May 2009 ("Record Date").

The offer price is fixed at \$0.60 per New Share. This represents a 22.1% discount to the closing price of Pacific Brands shares on 8 May 2009 and a 13.9% discount to the theoretical ex-entitlement price¹. All New Shares will rank equally with Existing Shares from allotment.

The entitlements ("Entitlements") are non-renounceable and will not be tradeable on the Australian Securities Exchange ("ASX") or the New Zealand Exchange ("NZX") or otherwise transferable.

Eligible shareholders who do not take up their full Entitlement will not receive any value in respect of Entitlements they do not take up. Shareholders who are not eligible to receive Entitlements will not receive any value in respect of Entitlements they would have received had they been eligible.

Pacific Brands also reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to eligible shareholders, or persons claiming to be eligible shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

Pacific Brands expects to announce the outcome of the Institutional Entitlement Offer and Placement to the market by 13 May 2009, with trading on ASX and NZX expected to resume at commencement of trading on 13 May 2009.

Indicative timetable²

Event	Date
Placement and Institutional Entitlement Offer period	11—12 May 2009
Institutional Bookbuild opens	Monday, 11 May 2009
Institutional Bookbuild closes	Tuesday, 12 May 2009 (9am AEST)
Ordinary Shares recommence trading	By Wednesday, 13 May 2009
Record Date	Thursday, 14 May 2009 (7pm AEST time)
Retail Entitlement Offer opens	Tuesday, 19 May 2009
Offer document despatched to Eligible Retail Shareholders	Tuesday, 19 May 2009
Institutional settlement date	Friday, 22 May 2009
Institutional trading date	Monday, 25 May 2009
Retail Entitlement Offer closes	Thursday, 4 June 2009
Retail Entitlement Offer settlement date	Thursday, 11 June 2009
Retail allotment date	Friday, 12 June 2009
Retail trading date	Monday, 15 June 2009

Debt reduction

Pacific Brands intends to use the proceeds of the Offer to pay down Pacific Brands' syndicated debt facility and for working capital purposes.

Based on the underwritten proceeds of \$154 million and the associated debt reduction, the pro-forma impact on key covenants will be as follows:

¹ The theoretical ex-entitlement price is the theoretical price at which Pacific Brands shares should trade immediately after the ex-date for the entitlement offer assuming 100% take-up of the entitlement offer. The theoretical ex-entitlement price is a theoretical calculation only and the actual price at which Pacific Brands shares trade immediately after the ex-date for the entitlement offer will depend on many factors and may not be equal to the theoretical ex-entitlement price.

² The above timetable is indicative only and subject to change. Pacific Brands, in conjunction with the Lead Manager and subject to the Corporations Act, the ASX Listing Rules and other applicable laws, has the right to vary any of the above dates without notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

As at 31 December 2008	Pre-Offer	Post-Offer Pro-Forma ³	Current Covenant
Gearing ¹	3.2x	2.6x	<3.5x
Interest Cover ²	3.6x	4.4x	>3.0x

Notes:

1. Gearing ratio is defined as Total Net Debt as at end of the relevant period to EBITDA for the relevant period.
2. Interest Cover ratio is defined as EBITDA for the 12 months less Net Capital Expenditure to Interest Expense for the relevant period.
3. Pro forma operating EBITDA Interest cover for the 12 months ended 31 December 2008 (assuming no proceeds are received under the Retail Entitlement Offer), assumes that the entire estimated net proceeds of approximately \$148.5 million have been used to repay debt that was drawn under syndicated loan facilities as at 1 January 2008, with an interest saving at the rate of 8.4%, which represents the current average actual interest rate.

Based on the proceeds of \$256 million (assuming 100% acceptance of the Retail Entitlement Offer for illustrative purposes only) and the associated debt reduction amount, the pro forma impact on key covenants will be as follows:

As at 31 December 2008	Pre-Offer	Post-Offer Pro-Forma ³	Current Covenant
Gearing ¹	3.2x	2.2x	<3.5x
Interest Cover ²	3.6x	5.3x	>3.0x

Notes:

1. Gearing ratio is defined as Total Net Debt as at end of the relevant period to EBITDA for the relevant period.
2. Interest Cover ratio is defined as EBITDA for the 12 months less Net Capital Expenditure to Interest Expense for the relevant period.
3. Pro forma operating EBITDA Interest cover for the 12 months ended 31 December 2008 (assuming 100% of proceeds are received under the Retail Entitlement Offer), assumes that the entire estimated net proceeds of approximately \$249.2 million have been used to repay debt that was drawn under syndicated loan facilities as at 1 January 2008, with an interest saving at the rate of 8.4%, which represents the current average actual interest rate.

Pacific Brands 2010 Strategy Update

On 25 February 2009, Pacific Brands announced Pacific Brands 2010 Strategy, which focuses on primary businesses and brands that have and will deliver the majority of Pacific Brands' performance. This strategy seeks to realise significant cost savings and capital injection through:

- a complete sourcing overhaul;
- discontinuing small labels and brands to reduce complexity and cost;
- divesting non-core businesses;
- selling properties (with operations relocating or, where appropriate, continuing in existing premises under lease from new owners);
- driving efficiencies and continual improvement processes throughout the business; and
- achieving corporate savings such as office space consolidation and the relocation of head office functions into existing Pacific Brands facilities.

As foreshadowed in the 25 February 2009 release, Pacific Brands 2010 is designed to deliver:

- significantly less complexity;
- strategic realignment and positioning;
- reduction in the cost of doing business;
- annualised cost savings of more than \$150 million by FY11; and
- capital released from property sales, with potentially more from business divestments, to be used in addition to the cost savings to provide balance sheet flexibility.

Pacific Brands has been working on all aspects of the strategy since its announcement on 25 February 2009. In particular, since that release, Pacific Brands has commenced a number of separate processes in respect of potential non-core business, brand and property divestments. Pacific Brands has received a large number of expressions of interest from a diverse range of parties in relation to possible divestments of non-core assets and, as a result, Pacific Brands is

currently in discussions with a number of third parties. Discussions with third parties are incomplete and predominantly at an early stage and it is not possible to assess at this time whether they will result in transactions.

The non-core businesses which are subject to potential divestment represent approximately 22% of the total group sales and less than 15% of the total group EBITA of Pacific Brands. Pacific Brands has made it clear in discussions that it will only proceed with divestments of any businesses if they deliver what Pacific Brands regards as fair value and are on acceptable commercial terms.

With each potential divestment of non-core businesses, Pacific Brands is carefully weighing up the benefits and costs, having regard to the aims of the Pacific Brands 2010 Strategy. Pacific Brands considers that the implementation of this strategy will significantly reposition Pacific Brands in the market place with a more focused offering. The extent of the strategic realignment and positioning will depend in part on the business divestments that Pacific Brands ultimately decides to proceed with.

As with any preliminary discussions and incomplete negotiations, there can be no guarantee that any such divestments will proceed. Pacific Brands is not committed to the divestment of any particular business if it considers that insufficient value would be delivered for that business. To the extent that such divestments proceed, Pacific Brands intends to apply the net proceeds from such divestments to reduction of debt.

Trading Update

As announced on 28 April 2009, Pacific Brands does not currently anticipate there will be a variation in operating profit before abnormal restructuring costs and income tax for the year ended 30 June 2009 of more than 15% from the result in the prior corresponding period.

Further Information

Retail shareholders who have questions regarding the Retail Entitlement Offer should call the Pacific Brands Shareholder Information Line on 1300 132 632 (from within Australia) or +61 3 9415 4184 (from outside Australia) at any time from 8:30am to 5:30pm (AEST) Monday to Friday during the Retail Entitlement Offer period.

Investors

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Important Information

This announcement does not constitute an offer for subscription, invitation, recommendation or sale with respect to the purchase or sale of any securities in any jurisdiction. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "U.S. persons" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act") ("U.S. Persons"). Neither the Entitlements nor the New Shares have been, or will be, registered under the Securities Act or any securities laws of any state or other jurisdiction of the United States and may not be offered, sold or otherwise transferred except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws.

This announcement contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Pacific Brands. These factors may include changes in consumer demand for Pacific Brands' products, damage to brands and associated consumer images under which Pacific Brands' products are sold, fluctuations in the value of the Australian dollar, damage to Pacific Brands' relationships with its customers, suppliers and service providers, a breach by Pacific Brands of its debt covenants, increased competition, loss of key personnel, litigation and disputes, counterparty and credit risk, acquisitions and new business, change in operations, interest rate risk, market price fluctuations, general economic conditions, taxation, regulatory issues and changes in law and accounting policies. There can be no assurance that actual outcomes will not differ materially from these statements.

This announcement is not financial product or investment advice nor a recommendation to acquire Pacific Brands shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances.

Pacific Brands is not licensed to provide financial product advice in respect of Pacific Brands shares.

An investment in Pacific Brands shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Pacific Brands Group, including possible loss of income and principal invested. Pacific Brands does not guarantee any particular rate of return or the performance of the Pacific Brands Group, nor does it guarantee the repayment of capital from Pacific Brands or any particular tax treatment. In considering an investment in Pacific Brands shares, investors should have regard to (amongst other things) the risks and disclaimers outlined in the Presentation released to ASX on 11 May 2009.

This announcement contains certain financial data that is "non-GAAP financial measures" under Regulation G under the U.S. Securities Act of 1934, as amended. For example, the announcement presents gearing and interest coverage ratios for Pacific Brands that are calculated in accordance with Pacific Brands' debt covenants. These measures are not measures of or defined terms of financial performance, liquidity or value under AIFRS or U.S. GAAP. Moreover, certain of these measures may not be comparable to similarly titled measures of other companies.

Stock Lending and Other Transactions

Eligible shareholders will be entitled to apply under the Entitlement Offer for a certain number of New Shares for each Existing Share held as at the Record Time. Pacific Brands has been granted a waiver by ASX so that, in determining shareholder Entitlements for the Entitlement Offer, it may ignore any changes in shareholdings that occur after the announcement of the Entitlement Offer (other than registrations of transactions that were effected through ITS before that announcement).

Accordingly, a person who is a registered eligible shareholder at the Record Time as a result of a dealing after the announcement of the Entitlement Offer (other than the registration of a transaction effected through ITS before that announcement) may not be entitled to receive an Entitlement under the Entitlement Offer.

In the event that an eligible shareholder has Existing Shares out on loan at the Record Time, the borrower will be regarded as the shareholder for the purposes of determining the Entitlement (provided that those borrowed shares have not been on-sold or transferred).

Pacific Brands

Strengthens Capital Position

11 May 2009

PACIFIC BRANDS

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Disclaimer

This presentation (**Presentation**) has been prepared by Pacific Brands Limited (ABN 64 106 773 059) (**Pacific Brands**).

Summary information

This Presentation contains summary information about Pacific Brands and its subsidiaries (**Pacific Brands Group**) and their activities and is dated 11 May 2009. The information in this Presentation does not purport to be complete or comprehensive, and does not purport to summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with Pacific Brands Group's other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au.

Not financial product advice

This Presentation is for information purposes only and is not financial product or investment advice or a recommendation to acquire Pacific Brands shares and has been prepared without taking into account the objectives, financial situation or needs of any person. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances.

Pacific Brands is not licensed to provide financial product advice in respect of Pacific Brands shares. Cooling off rights do not apply to the acquisition of Pacific Brands shares.

Financial data

All dollar values are in Australian dollars (A\$) and financial data is presented within the financial year end of 30 June unless otherwise stated. The pro-forma historical financial information included in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the US Securities and Exchange Commission. This Presentation contains certain financial data that is "non-GAAP financial measures" under Regulation G under the U.S. Securities Exchange Act of 1934, as amended. For example, the Presentation presents gearing and interest coverage ratios for Pacific Brands, which are calculated in accordance with Pacific Brands' debt covenants. These measures are not measures of or defined terms of financial performance, liquidity or value under AIFRS or U.S. GAAP. Moreover, certain of these measures may not be comparable to similarly titled measures of other companies.

Risks of investment

An investment in Pacific Brands shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Pacific Brands Group, including possible loss of income and principal invested. Pacific Brands does not guarantee any particular rate of return or the performance of the Pacific Brands Group, nor does it guarantee the repayment of capital from Pacific Brands or any particular tax treatment. In considering an investment in Pacific Brands shares, investors should have regard to (amongst other things) the risks outlined in this Presentation.

Forward-looking statements

This Presentation contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Pacific Brands. These factors may include changes in consumer demand for Pacific Brands' products, damage to brands and associated consumer images under which Pacific Brands' products are sold, fluctuations in the value of the Australian dollar, damage to Pacific Brands' relationships with its customers, suppliers and service providers, a breach by Pacific Brands of its debt covenants, increased competition, loss of key personnel, litigation and disputes, counterparty and credit risk, acquisitions and new business, change in operations, interest rate risk, market price fluctuations, general economic conditions, taxation, regulatory issues and changes in law and accounting policies. There can be no assurance that actual outcomes will not differ materially from these statements.

To the full extent permitted by law, Pacific Brands and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

Past performance

Past performance information given in this Presentation is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

PACIFIC BRANDS

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Disclaimer

Not an offer

This Presentation is not and should not be considered an offer or an invitation to acquire Pacific Brands shares or any other financial products. This Presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any 'US person' (as defined in Regulation S under the Securities Act of 1933, as amended (**Securities Act**) (**U.S. Person**)). Pacific Brands shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to any person that is, or is acting for the account or benefit of, a US Person without being so registered or pursuant to an exemption from the registration—requirements of the Securities Act. Any public offering of Pacific Brands shares in the United States will be made by means of a prospectus that contains detailed information about Pacific Brands and the management of its business, as well as financial statements.

Intermediaries – disclaimer

Except for any liability which cannot be excluded by law, UBS AG, Australia Branch (ABN 47 088 129 613) and its affiliates, and the directors, officers, employees, agents and/or advisers of any of them (together, UBS) expressly disclaim any and all responsibility and liability for the content of this Presentation, and any expenses, losses, damages, costs or claims relating to or resulting from inaccurate or incomplete information and the use or reliance on all or any part of this Presentation or on any of the information contained in this Presentation.

UBS has not independently verified the information contained in this Presentation, nor does UBS make any representation or warranty, either express or implied, as to the accuracy, completeness or reliability of the information contained in this Presentation, nor the accuracy, likelihood of achieving or reasonableness of any forecasts, targets, prospects or returns contained or referred to in this Presentation or otherwise in connection with any capital raising.

UBS makes no recommendation as to whether you should participate in the institutional placement or the accelerated non-renounceable pro-rata entitlement offer, nor otherwise with respect to the capital raising. UBS has received fees for engagements by Pacific Brands, and will receive fees for its engagement in connection with the capital raising.



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Overview

- Pacific Brands is undertaking an equity issue to strengthen its balance sheet and provide the company with additional financial flexibility
- Pacific Brands is seeking to raise up to \$256 million:
 - Up to \$226 million via a 3 for 4 non-renounceable entitlement offer
 - \$30 million via an institutional placement
- The institutional component of the offer of \$154 million has been fully underwritten
- The net proceeds of the capital raising will be used to pay down debt and for working capital purposes
 - No significant debt refinancing until March 2012
 - Significant headroom in banking covenants



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Offer details

The capital raising will raise a minimum of \$154 million

3 for 4 non-renounceable entitlement offer

- \$124 million institutional entitlement offer fully underwritten
- Up to \$102 million non-underwritten retail entitlement offer
- \$0.60 offer price
 - 22.1% discount to last close
 - 13.9% discount to theoretical ex-entitlement price¹
- All shareholders will have the opportunity to participate
 - 3 new shares for every 4 existing shares

Institutional placement

- \$30 million institutional placement
- \$0.60 offer price
- Fully underwritten

Note:

1. The theoretical ex-entitlement price is the theoretical price at which Pacific Brands shares should trade immediately after the ex-date for the entitlement offer assuming 100% take-up of the entitlement offer. The theoretical ex-entitlement price is a theoretical calculation only and the actual price at which Pacific Brands shares trade immediately after the ex-date for the entitlement offer will depend on many factors and may not be equal to the theoretical ex-entitlement price.

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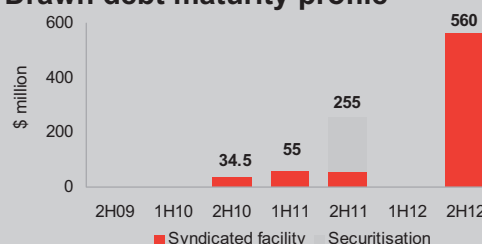
Debt maturity profile

- Debt facilities' maturities extended on 21 April 2009
- Fully supported by existing banking group
- Banking covenants remain unchanged

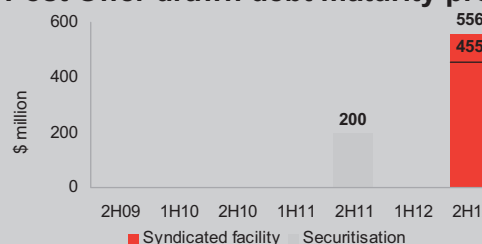
(\$ million)	Maturity date	Drawn at 31-Dec-08	Current facility
Tranche 1*	1-Jan-11	144.5	220.0
Tranche 2	28-Mar-12	310.0	330.0
Tranche 3	28-Mar-12	250.0	250.0
Securitisation	15-Mar-11	200.0	250.0
		904.5	1,050.0
Cash		93.7	
Net debt		810.8	

*Note: Tranche 1 is amortising \$55.0 million every six months until fully repaid on 1 January 2011.

Drawn debt maturity profile



Post Offer drawn debt maturity profile



Notes:

1. Assumes the entire net underwritten proceeds of approximately \$148.5 million have been used to repay debt

2. Assumes 100% take-up of the Retail Entitlement Offer and the entire net proceeds of approximately \$249.2 million have been used to repay debt

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Pro-forma credit metrics

- The net proceeds of the capital raising will be used to pay down Pacific Brands' syndicated facility and used for working capital purposes
- Significant headroom in covenant credit metrics post raising

	31-Dec-08	Post Offer Pro-forma ³ (Underwritten proceeds only)	Post Offer Pro-forma ⁴ (Underwritten proceeds + 100% take-up of Retail Entitlements)	Current covenant
Net debt (\$m)	810.8	662.3	561.6	na
Gross debt (\$m)	904.5	756.0	655.3	na
Gearing ¹ (x)	3.2	2.6	2.2	<3.5
Interest cover ² (x)	3.6	4.4	5.3	>3.0

Notes:

1. Gearing ratio is defined as Total Net Debt as at end of the relevant period to EBITDA for the relevant period.
2. Interest Cover ratio is defined as EBITDA for the 12 months less Net Capital Expenditure to Interest Expense for the relevant period.
3. Pro-forma operating EBITDA Interest cover for the 12 months ended 31 December 2008 (assuming no proceeds are received under the Retail Entitlement Offer), assumes that the entire estimated net proceeds of approximately \$148.5 million have been used to repay debt that was drawn under syndicated loan facilities as at 1 January 2008, with an interest saving at the rate of 8.4%, which represents the current average actual interest rate.
4. Pro-forma operating EBITDA Interest cover for the 12 months ended 31 December 2008 (assuming 100% of proceeds are received under the Retail Entitlement Offer), assumes that the entire estimated net proceeds of approximately \$249.2 million have been used to repay debt that was drawn under syndicated loan facilities as at 1 January 2008, with an interest saving at the rate of 8.4%, which represents the current average actual interest rate.

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Pacific Brands 2010 Strategy update

- On 25 February 2009, Pacific Brands announced the Pacific Brands 2010 Strategy, which focuses on primary businesses and brands that have and will deliver the majority of Pacific Brands' performance
- This strategy seeks to realise significant cost savings
- Pacific Brands has been working on all aspects of the strategy since its announcement on 25 February 2009
- In particular, Pacific Brands has commenced a number of separate processes in respect of potential non-core business, brand and property divestments
 - Pacific Brands has received a large number of expressions of interest and is currently in discussions with a number of third parties
 - Discussions with third parties are incomplete and predominantly at an early stage and it is not possible to assess at this time whether they will result in transactions
 - Pacific Brands is not committed to the divestment of any particular business if it considers that insufficient value would be delivered for that business

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Trading update

- Pacific Brands provided an update to ASX on 28 April 2009
- Pacific Brands does not currently anticipate there will be a variation in operating profit before abnormal restructuring costs and income tax for the year ended 30 June 2009 of more than 15% from the result in the prior corresponding period

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Key Risks

This section discusses some of the key risks associated with an investment in Pacific Brands. Before investing in Pacific Brands, you should consider whether this investment is suitable for you. Potential investors should consider publicly available information on Pacific Brands (such as that available on the websites of Pacific Brands and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making an investment decision.

Specific Risks

Consumer demand – Pacific Brands' operating and financial performance is dependent on consumer demand for its products. If Pacific Brands does not deliver products that appeal to consumers or if there is a decline in consumer demand for Pacific Brands' products, Pacific Brands' financial and operating performance could be materially adversely affected. If production costs increase and Pacific Brands seeks to pass on such increases to consumers through higher prices, this could result in a reduction in consumer demand for Pacific Brands' products and a fall in revenue.

Exchange rates – A substantial proportion of Pacific Brands' products sold to the Australian retail marketplace are sourced offshore and therefore Pacific Brands may be exposed to rapid and material movements in exchange rates (including the AUD/USD exchange rate) to the extent that they are not hedged.

Adverse movements in exchange rates relating to either finished products or raw material costs, or increased price competitiveness in response to movements in exchange rates may materially adversely impact the operations and financial performance and cash flows of Pacific Brands in the future.

Pacific Brands' 2010 Strategy – On 25 February 2009, Pacific Brands announced the "Pacific Brands 2010 Strategy" which is intended to focus effort on primary businesses and brands that have and will deliver the majority of Pacific Brands' performance. This strategy seeks to realise significant costs savings and capital injection through a number of projects including but not limited to the divestment of non-core businesses. While at present the strategy is on track, it must be emphasised that the process is multi-faceted and complex. Success of the overall strategy is highly dependent on the success of a number of individual projects, which in a number of cases are themselves inter-dependent on other projects. As a result, the final outcomes cannot be reliably predicted at this stage. A failure to achieve the required outcomes on one or more of the projects could therefore have an adverse effect on Pacific Brands' ability to deliver the overall anticipated strategic outcomes and cost savings for the group.

Asset sales – As part of Pacific Brands' 2010 Strategy, Pacific Brands has commenced a number of separate processes in respect of potential non-core business divestments. Pacific Brands has received a large number of expressions of interest from a diverse range of parties in relation to possible divestments and, as a result, Pacific Brands is currently in discussion with a number of third parties. Discussions with third parties are incomplete and predominately at an early stage and it is not possible to assess at this time whether they will result in transactions. As with any preliminary discussions and incomplete negotiations, there can be no guarantee that any such divestments will proceed. Pacific Brands is not committed to the divestment of any particular business if it considers that insufficient value would be delivered for that business. Moreover, the potential divestments could involve the sale of non-core businesses that generate significant sales and earnings, which would need to be balanced against the value the divestment would deliver to Pacific Brands.

Retailer relationships – Any adverse change in Pacific Brands' existing relationships with key retailers could have a material adverse impact on the ability of Pacific Brands to achieve its financial forecasts. Any action by retailers to reduce their inventories could also result in a fall in revenue for Pacific Brands.

Brands – The brands and associated consumer images under which Pacific Brands' products are sold are key assets. If those brands are damaged or lose their market appeal, or Pacific Brands loses the right to use the brands, Pacific Brands' operating and financial performance could be materially adversely impacted.

In addition, as fashion trends change rapidly, if Pacific Brands does not design and deliver products that appeal to consumers, Pacific Brands' financial performance and cash flows may be materially adversely impacted.

Debt covenants – Pacific Brands has various covenants in relation to its banking facilities. Factors such as a decline in Pacific Brands' operational and financial performance could lead to a breach in debt covenants. In such an event Pacific Brands' lenders may require their loans to be repaid immediately.

Competition – The Australian textile, clothing and footwear (TCF) industry is very fragmented. Pacific Brands' competitors include a limited number of major participants and a large number of small to medium companies. The actions of competitors or changes in consumer preferences may materially adversely affect Pacific Brands' financial performance and cash flows. Pacific Brands' financial performance and cash flows may also be affected by changes in retailers' sourcing of unbranded/housebrand products.

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Key Risks

Product sourcing – Risks associated with Pacific Brands' product sourcing strategy include any change in existing relationships (including the termination of any key supply arrangements), any further change in tariff arrangements, any change in terms or conditions of overseas suppliers, and any change in the international political or economic environment. These risks may lead to material adverse changes to Pacific Brands' operational and financial performance.

Supply chain management – Pacific Brands has established an extensive and reliable supply chain that allows it to procure and deliver products to customers in a timely and efficient manner. Disruption to any aspect of the Pacific Brands' supply chain could have a material adverse impact on Pacific Brands' operational and financial performance and cash flows.

Loss of key personnel – The Pacific Brands Group is reliant on retaining and attracting quality senior executives and other employees. The loss of the services of any of Pacific Brands' senior management or key personnel, or the inability to attract new qualified personnel, could adversely affect the Pacific Brands Group's operations.

Litigation and disputes – Legal and other disputes may arise from time to time in the ordinary course of operations. Any such dispute may impact on earnings or affect the value of Pacific Brands' assets.

Counterparty/credit risk – Third parties, such as customers, suppliers and other counterparties to contracts may not be willing or able to perform their obligations to the Pacific Brands Group. Pacific Brands provides credit to its customers in the ordinary course of its business. The inability of a customer to pay its debts may have an impact on the profitability of Pacific Brands.

Acquisitions / new business – In undertaking its business (including pursuing opportunities for future growth), Pacific Brands may undertake strategic acquisitions to add to its existing business. To finance such acquisitions, Pacific Brands may incur additional indebtedness as permitted under its financing facilities and may seek to raise capital. Pacific Brands will face operational and financial risks in relation to acquisitions which means that it may take a substantial period of time to completely realise an acquisition's full benefit.

Operations – Pacific Brands is exposed to a range of operational risks including equipment failures and other accidents, IT system failure, industrial action or disputes, lease renewals, damage by third parties, floods, fire, major cyclone, earthquake, terrorist attack or other disaster. These risks may have a material adverse impact on Pacific Brands' financial performance and cash flows.

Interest rate risk – Adverse fluctuations in interest rates, to the extent that they are not hedged, may impact Pacific Brands' earnings.

General Risks

Market price – The market price of Pacific Brands' shares will fluctuate due to various factors including general movements in commodity prices, the Australian and international investment markets, economic conditions, global geopolitical events and hostilities, consumer confidence, investor perceptions and other factors that may affect Pacific Brands Group's financial performance and position. The market price of Pacific Brands' shares could trade on ASX at a price below their issue price.

General economic conditions – Pacific Brands' operating and financial performance is influenced by a variety of general economic and business conditions including the level of inflation, interest rates, exchange rates, commodity price, ability to access funding, overall supply and demand conditions and government fiscal, monetary and regulatory policies. Prolonged deterioration in these conditions, including an increase in interest rates, an increase in the cost of capital or a decrease in consumer demand, could have a materially adverse impact on Pacific Brands' operating and financial performance. This risk is heightened in the current uncertain economic environment.

Taxation implications – Future changes in Australian taxation law, or changes in the interpretation or application of the law, may affect taxation treatment of an investment in Pacific Brands' shares, or the holding and disposal of those shares. Further changes in tax law or changes in the interpretation or application of the law, in the various jurisdictions in which the Pacific Brands Group operates, may impact the future tax liabilities of the Pacific Brands Group.

Regulatory issues and changes in law – Pacific Brands is subject to the usual business risk that there may be changes in laws that reduce income or increase costs.

Changes in accounting policy – Pacific Brands is subject to the usual business risk that there may be changes in accounting policies which have an adverse impact on Pacific Brands.

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Indicative timetable

Event	Date
Placement and Institutional Entitlement Offer period	11–12 May 2009
Institutional Bookbuild opens	Monday, 11 May 2009
Institutional Bookbuild closes	Tuesday, 12 May 2009 (9am AEST time)
Ordinary Shares recommence trading	By Wednesday, 13 May 2009
Record Date	Thursday, 14 May 2009 (7pm AEST time)
Retail Entitlement Offer opens	Tuesday, 19 May 2009
Offer document despatched to Eligible Retail Shareholders	Tuesday, 19 May 2009
Institutional settlement date	Friday, 22 May 2009
Institutional trading date	Monday, 25 May 2009
Retail Entitlement Offer closes	Thursday, 4 June 2009
Retail Entitlement Offer settlement date	Thursday, 11 June 2009
Retail allotment date	Friday, 12 June 2009
Retail trading date	Monday, 15 June 2009

Note: The above timetable is indicative only and subject to change. Pacific Brands, in conjunction with the Lead Manager and subject to the Corporations Act, the ASX Listing Rules and other applicable laws, has the right to vary any of the above dates without notice. The commencement of quotation of New Shares is subject to confirmation from ASX.

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New Zealand

The disclosure materials do not constitute a prospectus or investment statement and have not been registered, filed with or approved by any New Zealand regulatory authority under or in connection with the Securities Act 1978 (New Zealand).

The disclosure materials are being distributed in New Zealand only to, (a) persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; (b) persons who are each required to pay a minimum subscription price of at least NZ\$500,000 for the securities before the allotment of those securities; or (c) persons to whom securities may be offered in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2002. Under the institutional offer new shares are not being offered to any other person in New Zealand. Any investor who acquires new shares under the institutional offer must not, in the future, sell those new shares in a manner that will, or that is likely to, result in the sale of the new shares being subject to the New Zealand Securities Act 1978 or that may result in Pacific Brands or its Directors incurring any liability whatsoever.

United States

This presentation does not constitute an offer, invitation or recommendation to subscribe for or purchase any security and neither this presentation nor anything contained in it shall form the basis of any contract or commitment. In particular, this presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any "U.S. person" (as defined in Regulation S under the Securities Act of 1933, as amended (the "U.S. Securities Act")). This document may not be distributed or released in the United States or to, or for the account or benefit of, any U.S. Person.

The securities in the proposed offering have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities in the proposed offering may not be offered, or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons, except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

By accepting this presentation you agree to be bound by the foregoing limitations.

Germany

No offer in respect of the new shares will be made in Germany, other than to qualified investors as defined in Sec. 2 No. 6 of the German Securities Prospectus Act (Wertpapierprospektgesetz) or in circumstances where the offer of new shares is exempt from the publication of a prospectus according to the German Securities Prospectus Act.

Therefore, neither this document nor any accompanying letter or other document has been or will be submitted for approval to the Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) and accordingly no such document may be communicated to the public in Germany in any form and by any means. Any offer or solicitation within Germany made in connection with the new shares must be in full compliance with the German Securities Prospectus Act.

United Kingdom

The disclosure materials are only being distributed to, and are only directed at, persons in the United Kingdom that are qualified investors and also (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "FSMA Order"); or (ii) high net worth entities or other persons falling within Article 49(2)(a) to (d) of the FSMA Order (all such persons together being referred to as "Relevant Persons"). The disclosure materials and their contents are confidential and should not be distributed, published or reproduced (in whole part) or disclosed by recipients to any other person in the United Kingdom as this may contravene the Financial Services Markets Act 2000 ("FSMA"). Any investment or investment activity to which the disclosure materials relate is available in the United Kingdom, to Relevant Persons only. Any person in the United Kingdom that is not a Relevant Person should not act or rely on the disclosure materials or any of their contents.

Switzerland

The new shares and entitlements may not be offered or sold in Switzerland except in circumstances that will not result in the offer of the new shares and the entitlements being a public offering in Switzerland pursuant to article 652a of the Swiss Code of Obligations ("CO"). Accordingly, investors will not be protected by the provisions of the CO or any other Swiss law. Neither the disclosure materials nor any other offering or marketing material relating to the new shares and the entitlements constitute a prospectus pursuant to article 652a CO or any other Swiss law.

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Netherlands

The new shares and entitlements may only be offered, sold, transferred or delivered at any time by anyone in or from the Netherlands as part of their initial distribution or at any time thereafter, directly or indirectly to qualifying investors (gekwalificeerde beleggers) as such term is defined in Section 1:1 of the Act on Financial Supervision (Wet op het financieel toezicht), including – but not limited to – banks, brokers, dealers, and institutional investors holding a license or being otherwise regulated to be active in the financial markets or undertakings whose only corporate object is investing in securities.

Norway

The disclosure materials have not been approved by, or registered with, any Norwegian securities regulators pursuant to the Norwegian Securities Trading Act of 29 June 2007, as amended. The disclosure materials and any other materials in connection with the offer relating to Norway have not been approved or disapproved by, or registered with the Oslo Stock Exchange, the Norwegian FSA, the Norwegian Registry of Business Enterprises or any other Norwegian authority. Accordingly, neither the disclosure materials nor any other offering material relating to the offering of the new shares and entitlement constitutes, or shall be deemed to constitute, an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007. The new shares and entitlements may not be offered or sold, directly or indirectly, in Norway except:

- (i) in respect of an offer of new shares and entitlements addressed to investors subject to a minimum purchase of new shares and entitlements for a total consideration of not less than €50,000 per investor;
- (ii) to "professional investors" as defined in the Norwegian Securities Regulation of 29 June 2007 no. 876, being:
 - (A) legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
 - (B) any legal entity which is registered as a professional investor with the Oslo Stock Exchange (No. Oslo Bars) and which has two or more of: (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;
 - (C) any natural person which is registered as a professional investor with the Oslo Stock Exchange (No. Oslo Bars) and which has two or more of: (1) an average execution of at least ten – 10 – transactions in securities of significant volume per quarter for the last four quarters; (2) a portfolio of securities with a market value of at least €500,000; (3) worked or works,

Norway (cont)

- for at least one – 1 – year, within the financial markets in a position which presuppose knowledge of investing in securities;
- (D) to fewer than 100 natural or legal persons (other than 'professional investors' as defined in the Norwegian Securities Regulation of 29 June 2007 no. 876), subject to obtaining the prior consent of the Underwriter for any such offer;
 - (E) in any other circumstances provided that no such offer of new shares and entitlements shall result in a requirement for the registration, or the publication by the Pacific Brands or the Underwriter of prospectus pursuant to the Norwegian Securities trading Act of 29 June 2007.

France

Prospective investors are informed that no prospectus (including any amendment, supplement or replacement thereto) has been or will be prepared in connection with the offering of the new shares and entitlements that has been approved by the Autorité des marchés financiers or by the competent authority of another State that is contracting party to the Agreement on the European Economic Area and notified to the Autorité des marchés financiers. No prospectus subject to the approval (visa) of the French market Authority (Autorité des Marchés Financiers) has been, or will be, prepared in connection with the new shares.

The new shares and entitlements are not issued in the French Republic and the new shares and entitlements may not be offered or sold nor will be offered or sold to the public in the French Republic and neither this document nor any other material or other material or information relating to the new shares may be released, issued or distributed, caused to be released, issued or distributed, to the public in France, or used in connection with any offering of the new shares to the public in France, except that the new shares and entitlements may be offered exclusively to (i) persons licensed to provide the investment service of portfolio management for the account of third parties (personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers) and/or (ii) qualified investors (investisseurs qualifiés) acting for their own account, all as defined and in accordance with Article L. 411-1 and L. 411-2 II of the French Code Monétaire et Financier and applicable regulations thereunder.

Prospective investors are informed that (i) such prospective investors may only take part in the transaction solely for their own account, as provided in Articles D. 411-1, D. 411-2 II, D. 734-1, D. 411-1, D. 754-1 and D. 764-1 of the French Code Monétaire et Financier and (ii) the new shares and entitlements may not be further distributed, directly or indirectly, to the public in the French Republic otherwise than in accordance with Article L. 411-1, L. 411-2 II, L. L. 412-1 and L.621-8 to L.621-8-3 of the French Code Monétaire et Financier and applicable regulations thereunder.

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Singapore

This offer is made in reliance on certain exemptions under the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), and is not made in or accompanied by a prospectus that is registered by the Monetary Authority of Singapore (the "Authority"). Conversely, the disclosure materials have not been and will not be registered as a prospectus with the Authority. Accordingly, the disclosure materials and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of new shares and entitlements may not be circulated or distributed, nor may new shares and entitlements be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where new shares and entitlements are subscribed or purchased under Section 275 by a relevant person which is:

- (i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, then the securities (as defined in Section 2 of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within 6 months after that corporation or that trust has acquired the new shares and entitlements pursuant to an offer made under Section 275 except:
 - (A) to an institutional investor or to a relevant person as defined in Section 275(2) of the SFA, or to any person pursuant to an offer that is made on terms that such securities of that corporation or such rights and interest in that trust are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and further (in the case of the corporation), the transfer of securities of that corporation arise from an offer made in accordance with the conditions specified in Section 275 of the SFA;
 - (B) where no consideration is or will be given for the transfer; or
 - (C) where the transfer is by operation of law.

Hong Kong

Important information for 'professional' and other legally permitted Hong Kong investors
WARNING

The contents of this document have not been reviewed or approved by any regulatory authority in Hong Kong. Recipients are advised to exercise caution in relation to any offer of new shares by Pacific Brands. If Recipients are in any doubt about any of the contents of this document, they should obtain independent professional advice.

The new shares and Entitlements have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document other than:

- (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong and any rules made under that ordinance; or
- (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap.32) of Hong Kong or which do not constitute an offer to the public within the meaning of that ordinance.

Further, no person shall issue or have in its possession for the purpose of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the new shares and entitlements, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to new shares and entitlements which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance (Cap.571) and any rules made under that ordinance.

The information relating to the offering contained herein may not be used other than by the person to whom it is addressed and may not be reproduced in any form or transferred to any person in Hong Kong.

This offering is not an offer for sale to the public in Hong Kong and it is not the intention of Pacific Brands that the new shares and entitlements be offered for sale to the public in Hong Kong.

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ASX and Media Release

Tuesday, 12 May 2009

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR
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PACIFIC BRANDS LIMITED COMPLETES APPROXIMATELY \$165 MILLION INSTITUTIONAL CAPITAL RAISING

Pacific Brands Limited ("Pacific Brands") today announced the successful completion of the institutional placement ("Placement") and the institutional component of the accelerated non-renounceable entitlement offer ("Institutional Entitlement Offer") which opened on Monday, 11 May 2009. In addition, the retail component of the entitlement offer ("Retail Entitlement Offer") is now fully underwritten.

Chief Executive Officer, Ms Sue Morphet said: "The Placement and Institutional Entitlement Offer was well oversubscribed, with strong demand from new and existing institutional shareholders."

"This successful equity raising reflects the strong support we have received from investors to improve Pacific Brands' balance sheet and to provide the company with additional financial flexibility to withstand any further softening in the retail environment."

"It also demonstrates the continued support of our Pacific Brands 2010 Strategy to streamline and simplify the company and give it the platform for continued growth."

"The proceeds of this capital raising will better position the company to continue to implement strategies and maximise opportunities through the business cycle."

Under the Institutional Entitlement Offer, eligible institutional shareholders were invited to participate pro-rata to their existing holdings by subscribing for 3 new Pacific Brands shares ("New Shares") for every 4 existing Pacific Brands shares ("Existing Shares"), at a price of \$0.60 per New Share ("Entitlement").

The institutional component of the capital raising will raise approximately \$165 million, comprising \$30 million from the Placement and approximately \$135 million from the Institutional Entitlement Offer.

A higher proportion of the register than expected was included in the Institutional Entitlement Offer, resulting in the Institutional Entitlement Offer amount being greater than previously announced. While the size of the total entitlement offer remains unchanged, the ratio of retail to institutional investors has changed.

In addition, following the announcement of the Offer, UBS AG, Australia Branch has now fully underwritten the capital raising, resulting in the underwritten amount increasing to the maximum of approximately \$256 million, which includes the Retail Entitlement Offer.

New Shares issued under the Placement and Institutional Entitlement Offer will rank equally with Existing Shares and are expected to be issued on Monday, 25 May 2009. Trading on the Australian Securities Exchange (“ASX”) is expected to commence on the same day.

Commencement of the Retail Entitlement Offer

The underwriter has now underwritten the Retail Entitlement Offer which comprises approximately 151 million New Shares and will raise approximately \$91 million¹.

The Retail Entitlement Offer will open on Tuesday, 19 May 2009 and is expected to close at 5.00pm (AEST) on Thursday, 4 June 2009. Eligible retail shareholders will have the opportunity to participate at the same price and offer ratio as under the Institutional Entitlement Offer.

Eligible retail shareholders may also apply for New Shares in excess of their Entitlement (“Additional New Shares”) up to a maximum of two times the retail shareholder’s full Entitlement. Any Additional New Shares will only be allocated to eligible retail shareholders if and to the extent that Pacific Brands so determines, in its absolute discretion, having regard to circumstances as at the time of the close of the Retail Entitlement Offer. Any New Shares in excess of Entitlements will be limited to the extent that there are sufficient New Shares from eligible retail shareholders who do not take up their full Entitlements or from New Shares that would have been offered to ineligible retail shareholders if they had been entitled to participate in the Retail Entitlement Offer.

Eligible retail shareholders wishing to participate in the Retail Entitlement Offer for New Shares and Additional New Shares will need to complete the Entitlement and Acceptance Form which is expected to be mailed to eligible retail shareholders on Tuesday, 19 May 2009.

Pacific Brands shares are expected to resume trading on Wednesday, 13 May 2009.

This announcement is not a prospectus and does not constitute an offer of securities.

Further Information

Retail shareholders who have questions regarding the Retail Entitlement Offer should call the Pacific Brands Shareholder Information Line on 1300 132 632 (from within Australia) or +61 3 9415 4184 (from outside Australia) at any time from 8:30am to 5:30pm (AEST) Monday to Friday during the Retail Entitlement Offer period.

Investors

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¹ The underwriting agreement contains usual terms and conditions including termination events.

Important Information

This announcement does not constitute an offer for subscription, invitation, recommendation or sale with respect to the purchase or sale of any securities in any jurisdiction. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any "U.S. persons" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "Securities Act") ("U.S. Persons"). Neither the Entitlements nor the New Shares have been, or will be, registered under the Securities Act or any securities laws of any state or other jurisdiction of the United States and may not be offered, sold or otherwise transferred except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable securities laws.

This announcement contains certain "forward-looking statements". The words "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "plan", "consider", "foresee", "aim", "will" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Pacific Brands. These factors may include changes in consumer demand for Pacific Brands' products, damage to brands and associated consumer images under which Pacific Brands' products are sold, fluctuations in the value of the Australian dollar, damage to Pacific Brands' relationships with its customers, suppliers and service providers, a breach by Pacific Brands of its debt covenants, increased competition, loss of key personnel, litigation and disputes, counterparty and credit risk, acquisitions and new business, change in operations, interest rate risk, market price fluctuations, general economic conditions, taxation, regulatory issues and changes in law and accounting policies. There can be no assurance that actual outcomes will not differ materially from these statements.

This announcement is not financial product or investment advice nor a recommendation to acquire Pacific Brands shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek legal, taxation and financial advice appropriate to their jurisdiction and circumstances.

Pacific Brands is not licensed to provide financial product advice in respect of Pacific Brands shares.

An investment in Pacific Brands shares is subject to investment and other known and unknown risks, some of which are beyond the control of the Pacific Brands Group, including possible loss of income and principal invested. Pacific Brands does not guarantee any particular rate of return or the performance of the Pacific Brands Group, nor does it guarantee the repayment of capital from Pacific Brands or any particular tax treatment. In considering an investment in Pacific Brands shares, investors should have regard to (amongst other things) the risks and disclaimers outlined in the investor presentation accompanying the ASX announcement dated 11 May 2009.

Stock Lending and Other Transactions

Eligible shareholders will be entitled to apply under the Entitlement Offer for a certain number of New Shares for each Existing Share held as at the Record Date. Pacific Brands has been granted a waiver by ASX so that, in determining shareholder Entitlements for the Entitlement Offer, it may ignore any changes in shareholdings that occur after the announcement of the Entitlement Offer (other than registrations of transactions that were effected through ITS before that announcement).

Accordingly, a person who is a registered eligible shareholder at the Record Date as a result of a dealing after the announcement of the Entitlement Offer (other than the registration of a transaction effected through ITS before that announcement) may not be entitled to receive an Entitlement under the Entitlement Offer.

In the event that an eligible shareholder has Existing Shares out on loan at the Record Date, the borrower will be regarded as the shareholder for the purposes of determining the Entitlement (provided that those borrowed shares have not been on-sold or transferred).

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS

1. The Retail Entitlement Offer

Eligible Retail Shareholders (as defined in Important Information) are being offered the opportunity to subscribe for 3 New Shares for every 4 Pacific Brands ordinary shares ("Existing Shares") held at 7.00pm (AEST) on Thursday, 14 May 2009 ("Entitlement"), at the issue price of \$0.60 per New Share ("Issue Price").

Eligible Retail Shareholders may also apply for New Shares in excess of their Entitlement ("Additional New Shares") up to maximum of two times the Eligible Retail Shareholder's full Entitlement. Please note that New Shares in excess of Entitlements will only be allocated to Eligible Retail Shareholders if, and to the extent that Pacific Brands so determines, in its absolute discretion, having regard to circumstances as at the time of the close of the Retail Entitlement Offer. Any New Shares in excess of Entitlements will be limited to the extent that there are sufficient New Shares from Eligible Retail Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer. Pacific Brands may apply any scale-back (in its absolute discretion).

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights issues to be offered without a prospectus. As a result, it is important for Eligible Retail Shareholders to read and understand the information on Pacific Brands and the Retail Entitlement Offer made publicly available, prior to accepting all or part of their Entitlement or applying for Additional New Shares. In particular, please refer to this Retail Entitlement Offer Booklet, Pacific Brands' interim and annual reports and other announcements made available at www.pacificbrands.com.au (including Pacific Brands' Half Year Report for the six month period ended 31 December 2008 that was released to ASX and NZX on 25 February 2009).

Your Entitlement is set out on the accompanying personalised Entitlement and Acceptance Form and has been calculated as 3 New Shares for every 4 Existing Shares you held as at the

Record Date of 7.00pm (AEST) on Thursday, 14 May 2009 rounded up to the nearest whole New Share. If you have more than one holding of Existing Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. New Shares issued pursuant to the Retail Entitlement Offer will be fully paid and rank equally with existing Pacific Brands ordinary shares on issue.

Note: the Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Existing Shares on behalf of a U.S. Person as defined below (see definition of Eligible Retail Shareholder in Important Information).

Nominees

The Retail Entitlement Offer is being made to all shareholders on the register of Pacific Brands at 7:00pm (AEST) on Thursday, 14 May 2009 with an address in Australia or New Zealand and who did not participate in the Institutional Entitlement Offer that are not in the United States and are neither a U.S. Person nor acting for the account or benefit of a U.S. Person. Pacific Brands is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Existing Shares. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws. Any person in the United States or any person that is or is acting for the account or benefit of a U.S. Person with a holding through a nominee may not participate in the Retail Entitlement Offer and the nominee must not take up any Entitlement or send any materials into the United States or to any person it knows to be a U.S. Person. Pacific Brands is not able to advise on foreign laws.

2. Consider the Retail Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant, solicitor or other independent

professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer. You should also refer to the “Key Risks” section of the investor presentation accompanying the ASX announcement made on Monday, 11 May 2009 included in this booklet.

3. Complete and return the accompanying Entitlement and Acceptance Form with your Application Monies or make a payment by Bpay®

If you decide to take up all or part of your Entitlement, or apply for Additional New Shares, please complete and return the personalised Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via Bpay® by following the instructions set out on the personalised Entitlement and Acceptance Form.

Pacific Brands will treat you as applying for as many New Shares as your payment will pay for in full, subject to any scale-back it may determine to implement in its absolute discretion in respect of Additional New Shares. Amounts received by Pacific Brands in excess of your Entitlement (“Excess Amount”) may be treated as an application to apply for as many Additional New Shares as your Excess Amount will pay for in full. If you are paying by Bpay®, please make sure to use the specific Biller Code and unique Customer Reference Number on the back of your personalised Entitlement and Acceptance Form. If you receive more than one personalised Entitlement and Acceptance Form, please only use the Customer Reference Number specific to the Entitlement on that form. If you inadvertently use the same Customer Reference Number for more than one of your Entitlements, you will be deemed to have applied only for Additional New Shares on the Entitlement to which that Customer Reference Number applies.

If you take no action, you will not be allocated New Shares and your Entitlement will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

If you take up and pay for all or part of your Entitlement before the close of the Retail Entitlement Offer at 5.00pm (AEST) on

Thursday, 4 June 2009, you will be allotted your New Shares on Friday, 12 June 2009. If you apply for Additional New Shares then, subject to Pacific Brands’ absolute discretion to scale-back your application for Additional New Shares (in whole or part), you will be issued these on Friday, 12 June 2009. Pacific Brands’ decision on the number of New Shares to be allocated to you will be final.

Pacific Brands also reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Retail Shareholders, or persons claiming to be Eligible Retail Shareholders, if their claims prove to be overstated or otherwise incorrect or if they fail to provide information to substantiate their claims.

4. Acceptance of the Retail Entitlement Offer

The method of acceptance of the Retail Entitlement Offer will depend on your method of payment being:

- by Bpay®; or
- by cheque, bank draft or money order.

By completing and returning your personalised Entitlement and Acceptance Form with Application Monies or making a payment by Bpay®, you will be deemed to have represented that you are an Eligible Retail Shareholder (as defined in Important Information).

By completing and returning your personalised Entitlement and Acceptance Form with Application Monies or making a payment by Bpay®, you will also be deemed to have represented on behalf of each person on whose account you are acting that: (a) you are not in the United States and are neither a U.S. Person nor acting for the account or benefit of a U.S. Person; (b) you acknowledge that the New Shares have not been and will not be, registered under the Securities Act or the securities laws of any state or other jurisdictions in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the New Shares (and New Additional Shares) may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; and (c) you have not and will not send any materials relating to the Retail

Entitlement Offer to any person in the United States or that is, or is acting for the account or benefit, of a U.S. Person.

Payment by Bpay®

For payment by Bpay®, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Customer Reference Number). You can only make a payment via Bpay® if you are the holder of an account with an Australian financial institution that supports Bpay® transactions.

Please note that should you choose to pay by Bpay®:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Monies.

It is your responsibility to ensure that your Bpay® payment is received by the share registry by no later than 5.00pm (AEST) on Thursday, 4 June 2009 (subject to variation).

You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

Any Application Monies received for more than your final allocation of New Shares and Additional New Shares (only where the amount is A\$1.00 or greater) will be refunded on or around Tuesday, 16 June 2009. No interest will be paid to Applicants on any Application Monies received or refunded.

Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions on the form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "Pacific Brands Offer Account" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- for an amount equal to \$0.60 multiplied by the number of New Shares and Additional New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

Any Application Monies received for more than your final allocation of New Shares and Additional New Shares (only where the amount is A\$1.00 or greater) will be refunded on or around Tuesday, 16 June 2009. No interest will be paid to Applicants on any Application Monies received or refunded.

Cash payments will not be accepted. Receipts for payment will not be issued.

To participate in the Retail Entitlement Offer, your payment must be received no later than the close of the Retail Entitlement Offer, at **5.00pm (AEST) on Thursday, 4 June 2009**. Shareholders who make payment via cheque, bank draft or money order should mail their completed personalised Entitlement and Acceptance Form together with Application Monies using the reply paid or self-addressed envelope provided with this booklet, or mail to:

Pacific Brands Entitlement Offer
C/o Computershare Investor Services Pty
Limited
GPO Box 505
Melbourne, Victoria 3001
Australia

IMPORTANT INFORMATION

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS

This Retail Entitlement Offer Booklet (including the ASX announcements and investor presentation in relation to the Entitlement Offer and enclosed personalised Entitlement and Acceptance Form (“Information”) have been prepared by Pacific Brands Limited (ABN 64 106 773 059) (“Pacific Brands”). This Information is dated Monday, 11 May 2009.

No party other than Pacific Brands has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

This Information is important and requires your immediate attention.

You should read this Information carefully and in its entirety before deciding whether to invest in New Shares or Additional New Shares. In particular, you should consider the risk factors outlined in the Key Risks section of the investor presentation accompanying the ASX and NZX announcement made on Monday, 11 May 2009 that could affect the operating and financial performance of Pacific Brands or the value of an investment in Pacific Brands.

You should consult your stockbroker, accountant, solicitor or other independent professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

Pacific Brands has applied for the grant by ASX and NZX of official quotation of the New Shares. It is expected that normal trading on the ASX and NZX of New Shares issued under the Institutional Entitlement Offer and the Institutional Bookbuild will commence on Monday, 25 May 2009. It is expected that normal trading on the ASX and NZX will commence in relation to New Shares issued under the Retail Entitlement Offer on Monday 15 June 2009. Pacific Brands disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares before the New Shares are listed on the Official List of ASX or NZX or receiving their confirmation of issue, whether on the basis of confirmation of the allocation provided by Pacific Brands, the share registry or the underwriter.

1. Eligible Retail Shareholders

This Information contains an offer of New Shares to Eligible Retail Shareholders in

Australia and New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as notionally modified by Australian Securities and Investments Commission (“ASIC”) Class Order 08/35.

Eligible Retail Shareholders are those holders of Existing Shares who:

- are registered as a holder of Existing Shares as at 7.00pm (AEST) on Thursday, 14 May 2009 (the “Record Date”)¹;
- have a registered address in Australia or New Zealand;
- are not in the United States and are not “U.S. persons” (as defined under Regulation S under the United States Securities Act of 1933, as amended) (“U.S. Persons”) or acting for the account or benefit of U.S. Persons;
- were not an Institutional Shareholder eligible to participate under the Institutional Entitlement Offer (or an Ineligible Institutional Shareholder); and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Pacific Brands may (in its absolute discretion) extend the Retail Entitlement Offer to any Institutional Shareholder in foreign jurisdictions which did not participate in the institutional component of the Entitlement Offer (subject to compliance with applicable laws).

2. Additional New Shares

Eligible Retail Shareholders may also apply for Additional New Shares in excess of their Entitlement up to a maximum of two times the Eligible Retail Shareholder’s full entitlement. Any Additional New Shares will only be allocated to Eligible Retail Shareholders if and to the extent that Pacific Brands so determines, in its absolute discretion, having regard to circumstances as at the time of the close of the Retail Entitlement Offer. Any New Shares in excess of Entitlements will be limited to the extent that there are sufficient New Shares from

¹ Pursuant to a waiver from ASX and for the purposes of determining Entitlements under the Entitlement Offer, Pacific Brands will disregard transactions in Existing Shares after implementation of the trading halt in Pacific Brands shares on Monday, 11 May 2009, except for settlement of on-market transactions that occurred prior to the implementation of the trading halt.

Eligible Retail Shareholders who do not take up their full Entitlements or from New Shares that would have been offered to Ineligible Retail Shareholders if they had been entitled to participate in the Retail Entitlement Offer.

If you apply for Additional New Shares then, subject to Pacific Brands absolute discretion to scale-back your application for Additional New Shares (in whole or part), you will be issued these on Friday, 12 June 2009. Pacific Brands decision on the number of New Shares to be allocated to you will be final.

3. No cooling off rights

Cooling off rights do not apply to an investment in New Shares or Additional New Shares. You cannot withdraw your application once it has been accepted.

4. No Entitlements trading

Entitlements are non-renounceable and will not be tradeable on the ASX or the NZX or otherwise transferable.

5. Not investment or financial product advice

This booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Pacific Brands is not licensed to provide financial product advice in respect of the New Shares or Additional New Shares. The Information does not purport to contain all the information that you may require to evaluate a possible application for New Shares or Additional New Shares.

Before deciding whether to apply for New Shares or Additional New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the Information, you have any questions about the Retail Entitlement Offer, you should contact your stockbroker, accountant, solicitor or other independent professional adviser.

6. Taxation

Set out below is a summary of the Australian tax implications of the Retail Entitlement Offer for Eligible Retail Shareholders who are residents of Australia for tax purposes and who hold their Existing Shares as capital assets.

The below summary applies only to those Eligible Retail Shareholders who exercise their Entitlements and subscribe for New Shares and, in Pacific Brands' absolute discretion, Additional New Shares.

The summary below does not apply to Eligible Retail Shareholders who hold their Existing Shares as assets used in carrying on a business or who may carry on the business of share trading, banking or investment.

The summary below does not apply to Eligible Retail Shareholders whose Existing Shares are held through an employee share plan or whose Existing Shares are held as revenue assets or trading stock.

The summary below also does not take account of any individual circumstances of any particular Eligible Retail Shareholder. Different tax consequences may apply for those Eligible Retail Shareholders that are non-residents of Australia for tax purposes and who hold their Existing Shares other than on capital account. Taxation is only one of the matters that must be considered when making a decision in relation to New Shares or Additional New Shares. Eligible Retail Shareholders should seek specific advice applicable to their own particular circumstances from their own licensed financial or tax advisers.

The summary below is based on the law in effect as at the date of this booklet.

Issue of Entitlements

Subject to the qualifications noted above, the issue of the Entitlements will not itself result in any amount being included in the assessable income of an Eligible Retail Shareholder.

Exercise of Entitlements

Eligible Retail Shareholders who exercise their Entitlements and subscribe for New Shares and, in Pacific Brands' absolute discretion, Additional New Shares will acquire those shares with a cost base for capital gains tax ("CGT") purposes equal to the Issue Price payable by them for those shares plus any non-deductible incidental costs they incur in acquiring them, but will not make any capital gain or loss, or assessable income, from exercising the Entitlements or subscribing for the New Shares or Additional New Shares.

New Shares*Taxation of income for Eligible Retail Shareholders*

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares and, in Pacific Brands' absolute discretion, Additional New Shares (as applicable). Any future dividends or other distributions made in respect of those New Shares and Additional New Shares will be subject to the same taxation treatment as dividends or other distributions made on Existing Shares held in the same circumstances.

Taxation of disposals for Eligible Retail Shareholders

On any future disposal of New Shares and Additional New Shares, Eligible Retail Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the reduced cost base of the New Shares and Additional New Shares. The cost base of those shares is described above, but, for these purposes, the cost base should also include a reasonable apportionment of the non deductible incidental costs on disposal.

New Shares will be treated for the purposes of the CGT rules as having been acquired when the Eligible Retail Shareholder exercised the Entitlement to subscribe for them. Additional New Shares will be treated for the purposes of the CGT rules as having been acquired when Pacific Brands issues or allots those Additional New Shares. In order to benefit from the CGT discount that may be available in respect of a disposal of those shares, the shares must have been held for at least 12 months after those dates before the disposal occurs.

Taxation of a return of capital by Pacific Brands

Where a return of capital is made by Pacific Brands, the cost base of the Eligible Retail Shareholder's New Shares and Additional New Shares (as appropriate) for CGT purposes will be reduced by the amount of the return of capital, with any excess triggering a capital gain.

Other Australian taxes

No Australian Goods and Services Tax (GST) or stamp duty is payable in respect of the grant or exercise of the Entitlements or the acquisition of New Shares and Additional New Shares.

7. Rounding of Entitlements

Where fractions arise in the calculation of Entitlements, they will be rounded up to the nearest whole number of New Shares.

8. Information availability

Eligible Retail Shareholders in Australia and New Zealand can obtain a copy of this Information during the period of the Retail Entitlement Offer on the Pacific Brands website at www.pacificbrands.com.au or by calling the Pacific Brands Shareholder Information Line on 1300 132 632 (local call cost from within Australia) or +61 3 9415 4184 (outside Australia) at any time from 8.30am to 5.30pm (AEST) Monday to Friday during the Retail Entitlement Offer period. Persons who access the electronic version of this Information should ensure that they download and read the entire Information. The electronic version of this Information on the Pacific Brands website will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by calling the Pacific Brands Shareholder Information Line.

Neither this Information nor the accompanying Entitlement and Acceptance Form may be distributed to or relied upon by, persons in the United States or that are, or are acting on behalf of or for the account or benefit of, a U.S. Person, or otherwise distributed in the United States.

9. Future performance and forward looking statements

Neither Pacific Brands nor any other person warrants or guarantees the future performance of the New Shares, Additional New Shares or any return on any investment made in such shares or on the basis of this Information. Forward looking statements, opinions and estimates provided in the Information are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Any forward looking statements including projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions,

many of which are outside the control of Pacific Brands and the Board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Information.

10. Past performance

Investors should note that the past share performance of Pacific Brands' Existing Shares provides no guidance as to future price performance.

11. Governing law

This Information, the Retail Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

12. Foreign jurisdictions

This Information has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

The New Shares being offered under this Information are also being offered to Eligible Retail Shareholders with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). This Information is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

This Information does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Information (including an electronic copy) outside Australia and New Zealand is restricted by law. If you come into possession of this Information, you should observe such restrictions and should seek your own advice on such restrictions.

Any non-compliance with these restrictions may contravene applicable securities laws.

The Entitlements and the New Shares (and Additional New Shares) have not been, nor will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States, persons who are U.S. Persons, or persons who are acting for the account or benefit of a U.S. Person, and the New Shares (and Additional New Shares) may not be offered, sold or resold in the United States or for the account or benefit of, a U.S. Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the New Shares (and Additional New Shares) may constitute "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and, for so long as the New Shares (and Additional New Shares) remain restricted securities, the New Shares (and Additional New Shares) may not be deposited in any unrestricted American Depository Receipt facility with respect to the securities of Pacific Brands.

13. Financial data

All dollar values in this Retail Entitlement Offer Booklet are in Australian dollars (A\$).

14. Underwriting

Pacific Brands entered into an underwriting agreement with UBS AG, Australia Branch ("**Underwriter**"), in terms of which the Underwriter has agreed:

- to fully underwrite the institutional component of the Entitlement Offer and Placement;
- to fully underwrite the retail component of the Entitlement Offer; and
- to act as lead manager in respect of the Offer.

Customary with these types of arrangements:

- Pacific Brands has indemnified the Underwriters and its directors, officers, employees, partners, agents and advisers against losses in connection with the Entitlement Offer and the Placement;

- The Underwriters may terminate the underwriting agreement and be released from its obligations on the happening of any of a range of events, including if:
 - ASIC takes action or commences an investigation into the Offer;
 - approval not being granted to the official quotation of New Shares on ASX or NZX or approval being withdrawn or withheld;
 - a material adverse change in the business of Pacific Brands or its group from that disclosed;
 - a disruption in certain key global financial markets or hostilities commence in certain countries which has or is likely to have a material adverse effect on the Offer; and
 - statements in the offer materials being or become misleading or deceptive.
- The Underwriter will be remunerated by Pacific Brands for providing these services at market rates and be reimbursed for certain of its expenses.

Commonwealth Securities Limited has been appointed to act as a Co-Lead Manager to the Offer.

15. Optionholders

Existing optionholders will not be entitled to participate in the Entitlement Offer unless they:

- have become entitled to exercise their existing options under the terms of their issue and do so, so that they are registered as holders of Shares prior to 7.00pm (AEST) on the Record Date; and
- participate in the Entitlement Offer as a result of being a holder of Existing Shares registered on the register of Pacific Brands at 7.00pm (AEST) on the Record Date.

16. Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information.

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