half year result

January 2009

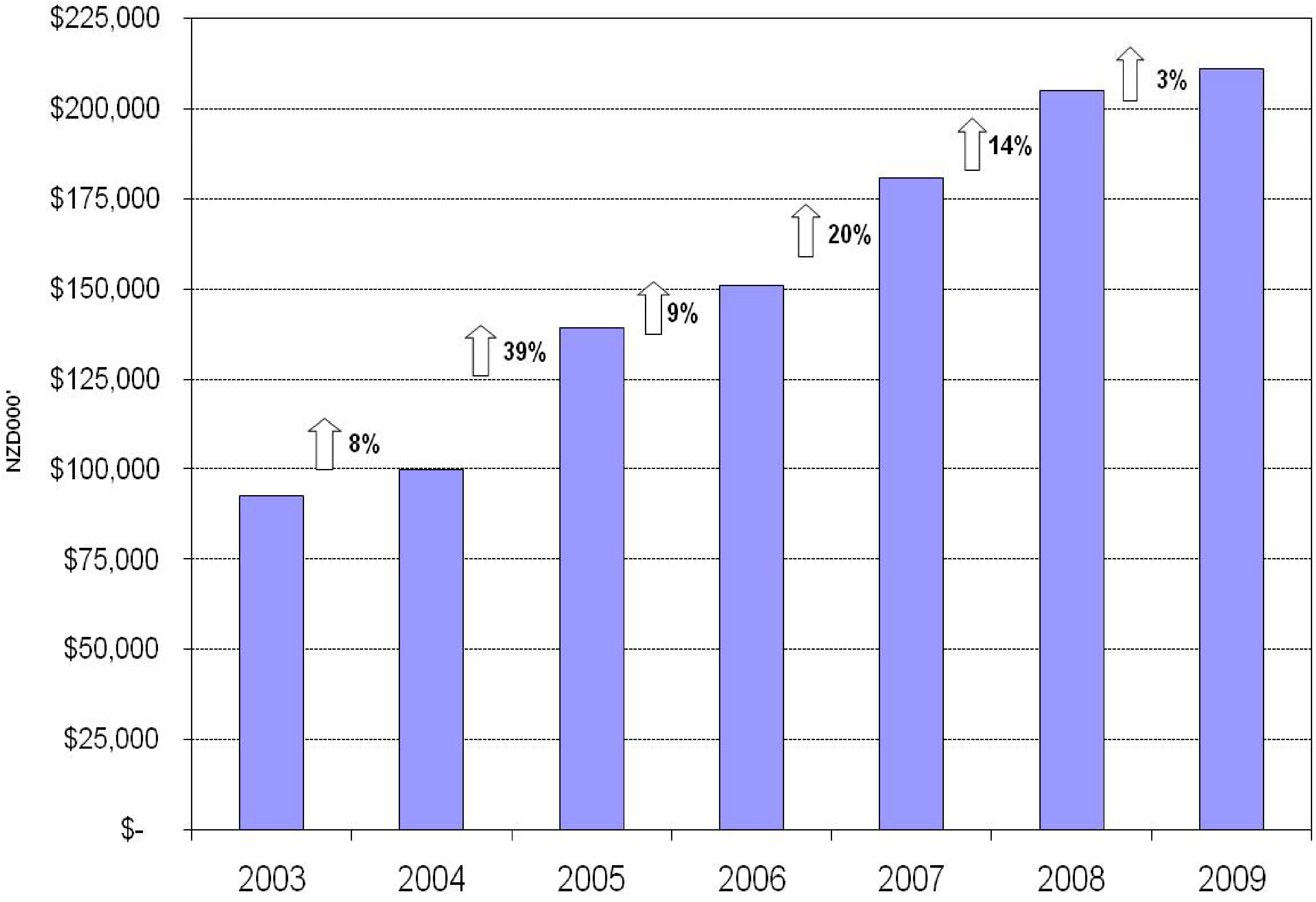
Key Themes

- Bank debt down 60% to $32m
  - Bank facilities in place until December 2010
- Inventory strategies drive $15m reduction in stock
- Strong sales and EBIT performance from Australia and New Zealand despite soft retail environment
- Continued strong sales and EBIT growth from Wholesale and Direct
- Operating Revenue up 3.0%
- Net Profit After Tax $9.5m (1H08: $10.2m)
- EBIT (excluding United States) up 9.5%

Financial Highlights
Statement of Financial Performance

	Jan 2009 (6 months)	Jan 2008 (6 months)	%
Operating Revenue	211,224	205,042	3.0%
EBITDA	26,043	27,882	(6.6%)
	12.3%	13.6%	
EBIT	17,540	19,174	(8.5%)
	8.3%	9.4%	
Interest	3,424	2,931	16.8%
	1.6%	1.4%	
Net Profit After Tax	9,502	10,221	(7.0%)
	4.5%	5.0%	

Since 2003 Operating Revenue has grown at a compound average growth rate of 12.5%



Financial Highlights
Statement of Financial Position

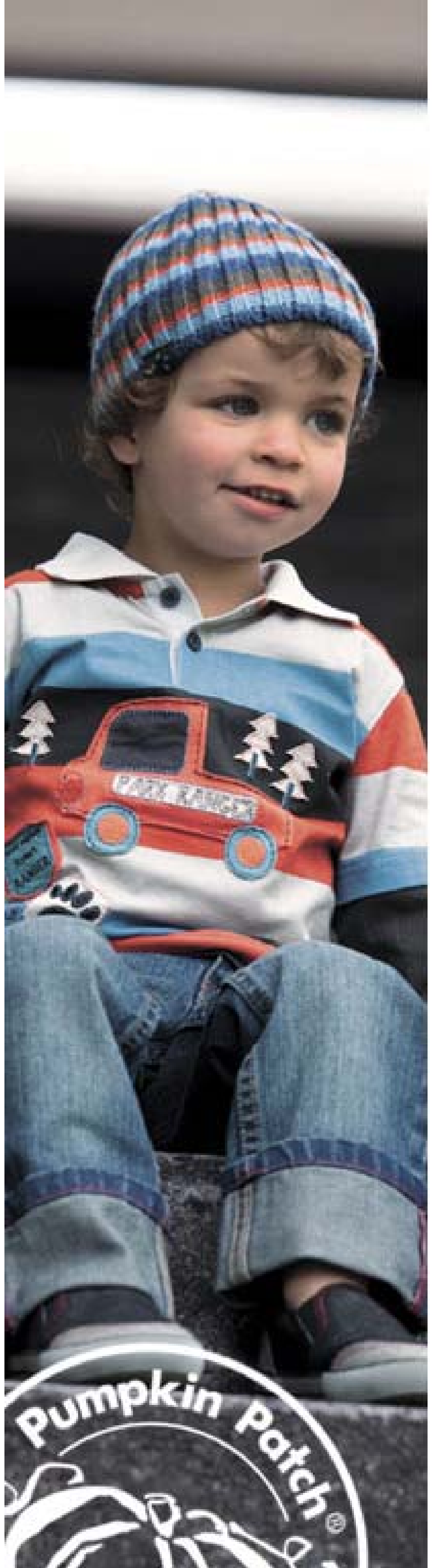
	Jan 2009	Jul 2008	Change
Current assets	144,259	148,401	(4,142)
Non-current assets	110,084	104,546	5,538
Total assets	**254,343**	**252,947**	**1,396**
Current liabilities	42,256	54,070	(11,814)
Bank debt	32,357	81,337	(48,980)
Non-current liabilities	17,106	20,810	(3,704)
Total liabilities	**91,719**	**156,217**	**(64,498)**
Net assets	**162,624**	**96,730**	**65,894**

Financial Highlights
Statement of Cashflows

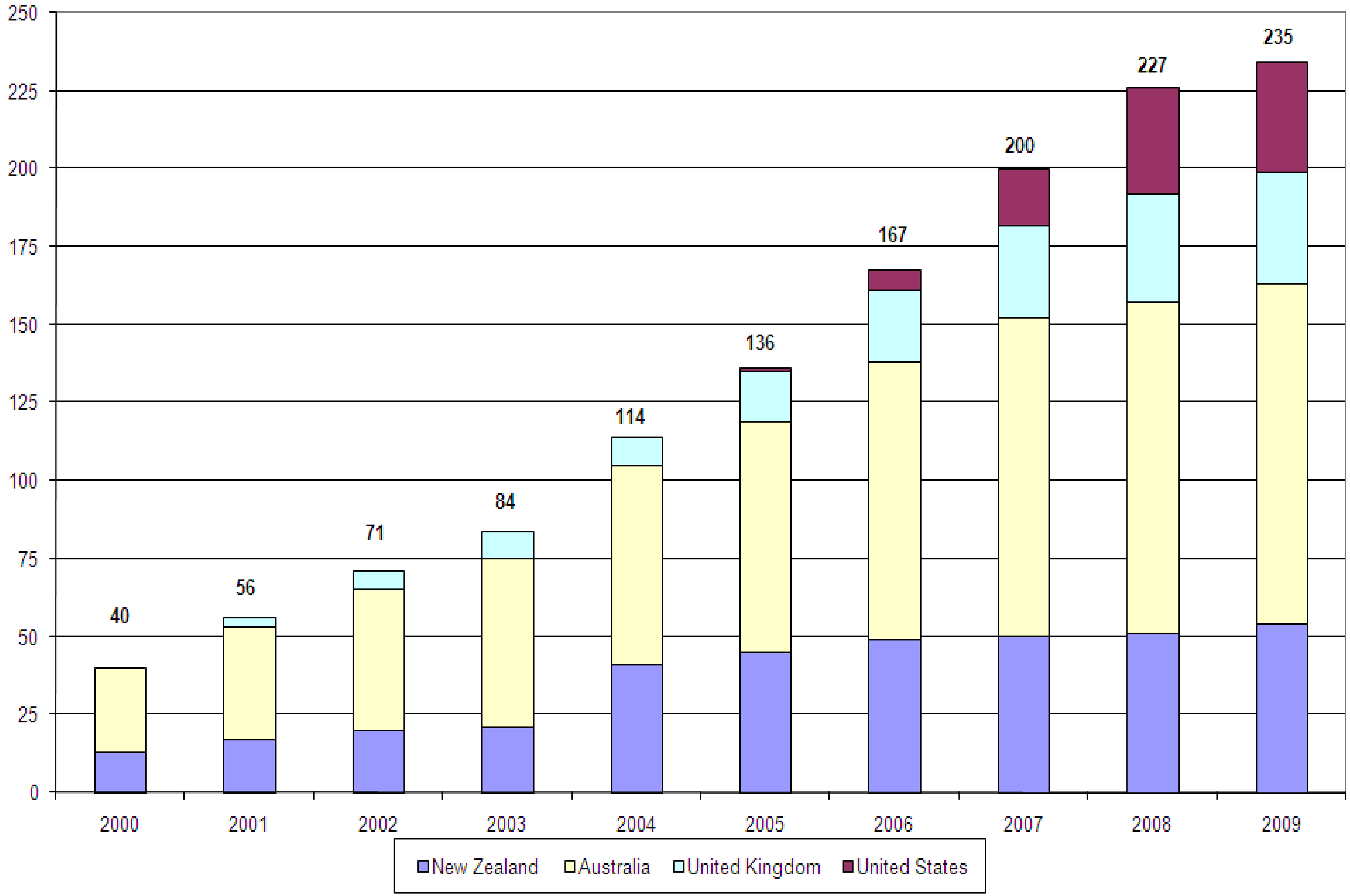
	Jan 2009 (6 months)	Jan 2008 (6 months)	Change
Net cashflow from operating activities	63,193	(1,460)	64,653
Net cashflow from investing activities	(8,183)	(19,933)	11,750
Net cashflow from financing activities	(6,030)	(6,934)	904
Net cash flow for period	**48,980**	**(28,327)**	**77,307**

Store Openings – HY09

	Jan 09 Total Stores Open	**1H09 Store Openings**	1H08 Total Store Openings	FY08 Total Store Openings
Australia				
Pumpkin Patch	98	3	2	5
Outlets	11	0	0	0
Urban Angel	1	0	0	0
	110	3	2	5
New Zealand				
Pumpkin Patch	33	1	0	0
Outlets	12	2	0	2
Urban Angel	9	0	0	-1
	54	3	0	1
United Kingdom				
Pumpkin Patch	33	0	2	4
Outlets	3	1	1	1
	36	1	3	5
United States				
Pumpkin Patch	35	1	10	16
	235	8	15	27
Add back Urban Angel store mergers in period		0	0	1
Stores opened in period		**8**	**15**	**28**



Store Numbers – January 2009



Divisional results

Australia Retail

	Jan 2009 (6 months)	Jan 2008 (6 months)	
Turnover AUD	80,986	82,310	(1.6%)
Turnover NZD	97,382	98,729	(1.4%)
EBIT NZD	19,479	20,599	(5.4%)
	20.0%	20.9%	
Stores:			
Pumpkin Patch	98	92	
Outlet	11	11	
Urban Angel	1	1	
	110	104	

New Zealand Retail

	Jan 2009 (6 months)	Jan 2008 (6 months)	
Turnover	31,865	33,345	(4.4%)
EBIT	6,086	6,903	(11.8%)
	19.1%	20.7%	
Stores:			
Pumpkin Patch	33	32	
Outlet	12	8	
Urban Angel	9	10	
	54	50	

Wholesale and Direct

	Jan 2009 (6 months)	**Jan 2008 (6 months)**	
Turnover NZD	27,785	23,357	19.0%
EBIT NZD	7,781	6,054	28.5%
	28.0%	25.9%	

United Kingdom Retail

	Jan 2009 (6 months)	Jan 2008 (6 months)	
Turnover GBP	12,131	12,849	(5.6%)
Turnover NZD	32,359	34,316	(5.7%)
EBIT NZD	(1,114)	149	
	(3.4%)	0.4%	
Stores:			
Pumpkin Patch	33	31	
Outlet	3	2	
	36	33	

United States Retail

	Jan 2009 (6 months)	Jan 2008 (6 months)	
Turnover USD	12,927	11,419	13.2%
Turnover NZD	21,700	15,083	43.9%
EBIT NZD	(6,169)	(2,472)	
Stores:	35	28	

Outlook 2H09

- General
  - All markets are extremely volatile making forecasting difficult
  - Emphasis to remain on strengthening the balance sheet
- Australia
  - Trading conditions will remain difficult but the brand is well positioned.
  - Promotional drive to continue to grow market share
  - Open 2 stores .

Outlook 2H09 - cont

- New Zealand
  - Trading conditions will remain difficult.
  - Strength of the Pumpkin Patch brand will lessen the impact of any significant deterioration in retail activity.

- Wholesale and Direct
  - Continue to develop already strong customer relationships
  - Continue research into other markets in Europe and Asia
  - Internet channel investment will continue
  - Benefit from declining exchange rates

Outlook 2H09 – cont

- United Kingdom
  - Very poor economic conditions to continue for remainder of the year
  - Lower overhead base and supply chain improvements allowing better management of the market
  - EBIT growth will remain difficult to achieve while market remains so volatile.

- United States
  - Current volatile conditions to continue well into 2010
  - Reductions in cost base will not be sufficient to offset impact of lower sales
  - Operation being closely monitored on a store by store basis
  - 2H09 likely to be more difficult due to seasonality of sales

Outlook 2H09 – cont

- Bank debt
  - Expecting to be between $30m and $40m at year end
    - Based on current trading and expected working capital movements
  - Debt facilities in place till December 2010

- Inventory
  - Continued reductions over the next 18 months from ongoing inventory management strategies

Dividend

Interim dividend of 3.00 cps

- Fully imputed for New Zealand residents
- Fully franked for Australian residents
- Supplementary dividend to be paid to non-residents
- Payment date 23rd April/ record date 9th April

Foreign Currency

Current FX hedging position

		FY09 (remainder)	FY10	FY11
Exports				
NZD/ AUD	% covered	65%	65%	38%
	Effective cover rate	$0.8468	$0.8095	$0.8210
NZD/ USD	% covered	57%	59%	31%
	Effective cover rate	$0.5241	$0.5068	$0.4941
NZD/ GBP	% covered	50%	41%	0%
	Effective cover rate	$0.3285	$0.3424	-
Imports				
USD/ AUD	% covered	90%	81%	60%
	Effective cover rate	$0.7431	$0.7998	$0.7494
USD/ NZD	% covered	83%	84%	58%
	Effective cover rate	$0.6887	$0.6855	$0.6858
USD/ GBP	% covered	86%	80%	62%
	Effective cover rate	$1.9348	$1.9203	$1.8845

Effective cover rates are the actual cover rates adjusted for the allocation of gains realised during the foreign exchange restructuring in 1H09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