



unaudited
consolidated
statements

FOR THE HALF YEAR ENDED 31ST JANUARY 2010

UNAUDITED CONSOLIDATED INCOME STATEMENT

	6 MONTHS ENDED 31 JAN 2010 \$000	6 MONTHS ENDED 31 JAN 2009 \$000
Sales Revenue	193,988	202,191
Cost of Goods Sold	(78,277)	(85,947)
Gross Profit	115,711	116,244
Other operating income	22	133
Selling expenses	(82,415)	(88,239)
Finance expenses	(1,273)	(3,590)
Administrative and General expenses	(11,091)	(7,847)
Profit from continuing operations before non recurring items and income tax	20,954	16,506
Non recurring items	-	-
Profit from continuing operations before income tax	20,954	16,506
Income tax expense	(6,698)	(4,614)
Net profit from continuing operations	14,256	11,892
Profit/(loss) from discontinued operations (net of tax)	-	(2,390)
Profit/(loss) for the period	14,256	9,502
Earnings per share for profit attributable to shareholders:	Cents	Cents
Basic earnings per share	8.55	5.71
Diluted earnings per share	8.50	5.71
Attributable to continuing operations:		
Basic earnings per share	8.55	7.15
Diluted earnings per share	8.50	7.15
Attributable to discontinued operations:		
Basic earnings per share	-	(1.44)
Diluted earnings per share	-	(1.44)

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 MONTHS ENDED 31 JAN 2010 \$000	6 MONTHS ENDED 31 JAN 2009 \$000
Net profit attributable to the shareholders	14,256	9,502
OTHER COMPREHENSIVE INCOME		
Exchange differences on translation of foreign operations	(4,005)	12,826
Net movement on cash flow hedges	(2,907)	39,412
Mark to market gains/(losses) on foreign currency portfolio restructure	(6,823)	33,003
Income tax relating to components of other comprehensive income	2,918	(22,683)
	(10,817)	62,558
Total comprehensive income attributable to shareholders	3,439	72,060



UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	SHARE CAPITAL \$000	RESERVES \$000	RETAINED EARNINGS \$000	TOTAL EQUITY \$000
Balance as at 1 Aug 2008	58,012	(12,420)	51,138	96,730
Profit for the period	-	-	9,502	9,502
Other comprehensive income	-	62,558	-	62,558
Total comprehensive income	-	62,558	9,502	72,060
Shares issued (repurchased)	(1,123)	-	-	(1,123)
Movements in reserves	-	785	-	785
Movement in treasury stock	40	-	-	40
Dividends paid	-	-	(5,868)	(5,868)
Balance as at 31 Jan 2009	56,929	50,923	54,772	162,624
Loss for the period	-	-	(36,241)	(36,241)
Other comprehensive income	-	(34,565)	-	(34,565)
Total comprehensive income	-	(34,565)	(36,241)	(70,806)
Shares issued (repurchased)	752	-	-	752
Movements in reserves	-	791	-	791
Movement in treasury stock	297	-	-	297
Dividends paid	-	-	(4,980)	(4,980)
Balance as at 31 Jul 2009	57,978	17,149	13,551	88,678
Profit for the period	-	-	14,256	14,256
Other comprehensive income	-	(10,817)	-	(10,817)
Total comprehensive income	-	(10,817)	14,256	3,439
Shares issued (repurchased)	-	-	-	-
Movements in reserves	-	217	-	217
Movement in treasury stock	-	-	-	-
Dividends paid	-	-	(7,403)	(7,403)
Balance as at 31 Jan 2010	57,978	6,549	20,404	84,931

As at 31 January 2010 there were 166,814,799 ordinary shares on issue (31 January 2009: 167,350,000). All ordinary shares are fully paid and rank equally with one vote attaching to each share

UNAUDITED CONSOLIDATED BALANCE SHEET

	AS AT 31 JAN 2010	AS AT 31 JAN 2009	AS AT 31 JUL 2009
	\$000	\$000	\$000
Equity			
Share capital	57,978	56,929	57,978
Hedging reserve – cash flow hedges	(13,657)	11,345	(11,622)
Share based payments reserve	5,616	4,608	5,399
Foreign currency translation reserve	1,039	12,826	5,044
Foreign currency portfolio restructure reserve	13,551	22,144	18,328
Retained earnings	20,404	54,772	13,551
Total Equity	84,931	162,624	88,678
Assets			
CURRENT ASSETS			
Cash and cash equivalents	2,412	10,643	12,564
Trade and other receivables	9,445	16,681	19,559
Derivative financial instruments	4,381	12,798	4,123
Inventories	75,523	114,780	80,210
Current tax receivable	1,081	-	-
Total Current Assets	92,842	154,902	116,456
NON CURRENT ASSETS			
Property, plant and equipment	51,539	98,149	54,193
Intangible assets	6,414	5,001	5,372
Trade and other receivables	4	4	4
Derivative financial instruments	1,362	6,930	2,662
Deferred tax assets	8,857	-	9,502
Total Non Current Assets	68,176	110,084	71,733
Total Assets	161,018	264,986	188,189

UNAUDITED CONSOLIDATED BALANCE SHEET (CONT.)

	AS AT 31 JAN 2010 \$000	AS AT 31 JAN 2009 \$000	AS AT 31 JUL 2009 \$000
Liabilities			
CURRENT LIABILITIES			
Trade and other payables	30,606	30,123	34,056
Interest bearing liabilities	12,000	43,000	10,000
Current tax liabilities	-	6,421	1,826
Derivative financial instruments	14,491	1,919	10,409
Deferred landlord contributions	2,137	3,793	2,326
Total Current Liabilities	59,234	85,256	58,617
NON CURRENT LIABILITIES			
Interest bearing liabilities	-	-	21,000
Deferred landlord contributions	5,907	13,168	6,581
Derivative financial instruments	10,946	1,356	13,313
Deferred tax liabilities	-	2,582	-
Total Non Current Liabilities	16,853	17,106	40,894
Total Liabilities	76,087	102,362	99,511
Net Assets	84,931	162,624	88,678
	Cents	Cents	Cents
Net tangible assets per share	47.1	94.7	49.9



UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

	6 MONTHS ENDED 31 JAN 2010 \$000	6 MONTHS ENDED 31 JAN 2009 \$000
Cash flows from operating activities		
CASH WAS PROVIDED FROM:		
Receipts from customers	204,079	209,969
Other income	3	-
Interest received	19	166
CASH WAS APPLIED TO:		
Payments to suppliers and employees	(173,143)	(170,415)
Interest paid	(1,273)	(3,590)
Net sales tax paid	(1,557)	(1,908)
Income tax paid	(8,003)	(6,437)
Net cash flow from operating activities	20,125	27,785
Cash flows from investing activities		
CASH WAS APPLIED TO:		
Purchase of property, plant and equipment	(2,140)	(8,132)
Purchase of intangibles	(1,734)	(51)
Net cash flow from investing activities	(3,874)	(8,183)
Cash flows from financing activities		
CASH WAS PROVIDED FROM:		
Proceeds from issue of share capital	-	-
(Repayment)/proceeds of borrowings	(19,000)	-
Other financing cash flows	-	171
CASH WAS APPLIED TO:		
Payments for shares bought back	-	(1,123)
Proceeds from restructure of foreign currency portfolio	-	36,198
Dividends paid	(7,403)	(5,868)
Net cash flow from financing activities	(26,403)	(24,622)
Net increase / (decrease) in cash and cash equivalents	(10,152)	(5,020)
Cash and cash equivalents at the beginning of the period	12,564	15,663
Cash and cash equivalents at the end of the period	2,412	10,643

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS

(CONT.)

	6 MONTHS ENDED 31 JAN 2010 \$000	6 MONTHS ENDED 31 JAN 2009 \$000
RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
Profit/(loss) after tax for the period	14,256	9,502
Add/(deduct) non cash items:		
Depreciation	4,794	7,681
Amortisation of intangibles	692	822
Amortisation of share option cost	217	785
Revaluation of derivative financial instruments	(235)	(1,729)
Fit-out contributions amortised	(569)	(1,815)
(Increase)/decrease in deferred tax	645	(6,249)
Non-cash tax expense	957	-
Non cash items discontinuing operations	-	-
Foreign exchange restructure amortisation	(4,777)	(4,564)
Add/(deduct) movements in working capital items:		
(Increase)/decrease in receivables and prepayments	9,033	3,475
(Increase)/decrease in inventories	682	6,981
Increase/(decrease) in payables & provisions	(5,570)	12,896
Net cash flows from operating activities	20,125	27,785





notes to &
forming part
of the financial
statements

FOR THE 6 MONTHS ENDED 31ST JANUARY 2010

1. GENERAL INFORMATION

Pumpkin Patch Limited (the “Company” or “Parent”) together with its subsidiaries (the “Group”) is a leading designer, marketer, retailer and wholesaler of children’s clothing.

The Company is a limited liability company, incorporated and domiciled in New Zealand.

The Company is registered under the Companies Act 1993, and is an issuer in terms of the Securities Act 1978 and the Financial Reporting Act 1993.

The Group is designated as a profit oriented entity for financial reporting purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These condensed consolidated interim financial statements for the six months ending 31 January 2010 have been prepared in accordance with NZ IAS34, Interim Financial Reporting.

The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 July 2009, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

The reporting currency used in the preparation of these consolidated financial statements is New Zealand dollars, rounded where necessary to the nearest thousand dollars.

a. Changes in accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 July 2009, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 July 2009.

IAS 1 (revised), ‘Presentation of financial statements’. The revised standard prohibits the presentation of items of income and expenses (that is ‘non-owner changes in equity’) in the statement of changes in equity, requiring ‘non-owner changes in equity’ to be presented separately from owner changes in equity. All ‘non-owner changes in equity’ are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The group has elected to present two statements: an income statement and a statement of comprehensive income. The interim financial statements have been prepared under the revised disclosure requirements.

To ensure consistency with the current period, comparative figures have been reclassified where appropriate.

NOTES

3. NON RECURRING EXPENSES

a. Reorganisation of United States operations

On 29th June 2009, the Company announced a reorganisation in the United States of its 35 retail stores operated by a wholly owned United States registered subsidiary company, Pumpkin Patch LLC.

Under the reorganisation plan, Pumpkin Patch LLC made the decision to close 15 stores in July 2009. Pumpkin Patch LLC has renegotiated the leases on the remaining 20 stores which continue to trade uninterrupted and under the normal course of business.

The reorganisation has been conducted utilising Chapter 11 of the United States Bankruptcy Code which provides certain legal protections while businesses implement reorganisations of the nature undertaken by Pumpkin Patch LLC. Even though all operational aspects of the reorganisation plan have been fully implemented and the 15 stores were closed, Pumpkin Patch LLC will remain in Chapter 11 until such time as all legal and statutory matters have been completed which is expected to be in May 2010. At this point the reorganisation process will be considered fully complete.

Financial information relating to the discontinued operation for the period is set out in point (b) below.

b. Summary of discontinued activities

	UNAUDITED 6 MONTHS ENDED		12 MONTHS ENDED
	31 JAN 2010	31 JAN 2009	31 JUL 2009
	\$000	\$000	\$000
Revenue US discontinued stores	-	8,900	16,261
New Zealand Retail	-	(11,290)	(21,751)
Loss from US discontinued operating activities	-	(2,390)	(5,409)
Impairment of assets of discontinued stores	-	-	(12,098)
Inventory write down	-	-	(15,019)
Other expenses	-	-	(2,546)
Income tax credit	-	-	6,652
Loss from discontinued operations	-	(2,390)	(28,501)
CASH FLOWS FROM DISCONTINUED OPERATIONS ARE AS FOLLOWS:			
Cash from operating activities	-	(1,200)	(4,202)
Cash from investing activities	-	-	-
Total cash outflows	-	(1,200)	(4,202)

3. NON RECURRING EXPENSES (CONT.)

c. Summary of non-recurring expenses

	UNAUDITED 6 MONTHS ENDED		12 MONTHS ENDED
	31 JAN 2010	31 JAN 2009	31 JUL 2009
	\$000	\$000	\$000
Impairment of continuing stores United States	-	-	(10,247)
Impairment of continuing stores United Kingdom	-	-	(6,377)
Impairment of continuing stores Urban Angel	-	-	(163)
Total non recurring expenses	-	-	(16,787)



4. SEGMENT INFORMATION

The Group has five reportable segments that are defined by geographical area and the nature of the distribution channel to external customers.

The following is an analysis of the Group's revenue and results by operating segment.

Revenue reported below, represents revenue generated from external customers. There were no inter segment sales in the period (2009:nil).

Segment profit represents the profit earned by each segment without allocation of central administration costs, finance costs and income tax expense.

NOTES

4. SEGMENT INFORMATION (CONT.)

	UNAUDITED 6 MONTHS ENDED		12 MONTHS ENDED
	31 JAN 2010	31 JAN 2009	31 JUL 2009
	\$000	\$000	\$000
Assets			
Australia Retail	59,275	70,786	57,348
New Zealand Retail	17,354	22,816	18,504
United Kingdom Retail	29,223	49,093	31,921
United States Retail	4,141	31,946	9,412
Wholesale and Direct	15,838	22,656	18,373
Unallocated and other	35,187	51,310	52,631
Consolidated	161,018	248,607	188,189
Revenue			
Australia Retail	100,188	97,382	203,426
New Zealand Retail	30,849	31,865	64,357
United Kingdom Retail	28,404	32,359	59,200
United States Retail	10,554	12,800	22,825
Wholesale and Direct	23,993	27,785	62,540
Unallocated and other	-	-	197
Consolidated	193,988	202,191	412,545
Result			
Australia Retail	19,873	19,479	38,469
New Zealand Retail	6,166	6,086	10,962
United Kingdom Retail	(215)	(1,114)	(11,339)
United States Retail	(755)	(3,778)	(19,536)
Wholesale and Direct	6,794	7,781	16,583
Unallocated and other	(10,909)	(11,948)	(24,543)
Consolidated	20,954	16,506	10,596
Segment assets held by discontinuing operations			
United States Retail	-	16,379	-
Sales revenue from discontinuing operations			
United States Retail	-	8,900	16,261
Profit/(Loss) from discontinuing operations before income tax			
United States Retail	-	(2,390)	(35,153)

5. EXPENSES

	6 MONTHS ENDED 31 JAN 2010 UNAUDITED \$000	6 MONTHS ENDED 31 JAN 2009 UNAUDITED \$000
Continuing Operations		
Depreciation	4,794	6,683
Amortisation of intangible assets	692	822
Employee benefit expenses	35,826	39,962
Rental and operating lease expenses	30,617	31,543
Bad debts written off	23	1
Discontinued Operations		
Depreciation	-	998
Employee benefit expenses	-	2,139
Rental and operating lease expenses	-	3,530

6. INTEREST BEARING LIABILITIES

Bank facility

The bank loans are provided under the terms of an ANZ National Bank Limited Revolving Advances Facility Agreement dated 24 June 2009. The total bank facility of \$75 million (2009: \$95 million) outlined in this agreement is split into two different tranches. The first tranche, up to \$25 million, will expire in December 2010, while the second tranche, a further \$50 million, will expire in December 2011.

These borrowings have been aged in accordance with the repayment terms of the facilities.

As at 31 January 2010, the Group had \$63 million of unused lines of credit (2009: \$52 million).

Fair value

The fair value of interest bearing liabilities approximates their carrying value.

7. PROPERTY, PLANT AND EQUIPMENT

Acquisitions and disposals

During the six months ended 31 January 2010, the Group acquired assets with a total cost of \$3.9 million (31 January 2009: \$8.1 million).

No assets were disposed of during the six months ended 31 January 2010 (31 January 2009: \$nil).

8. RELATED PARTY TRANSACTIONS

During the period, the Company advanced and repaid loans to its subsidiaries by way of internal current accounts. In presenting the condensed financial statements of the Group, the effect of transactions and balances between fellow subsidiaries and those with the Parent have been eliminated. All transactions with related parties were in the normal course of business, provided on commercial terms and are repayable on demand.

In addition the Group undertook transactions with Directors and their related interests as detailed below:

- The Group paid rent of \$32,400 (2009: \$36,500) to The Dickens Street Partnership which is 66% owned by the Opito Family Trust, a shareholder in Pumpkin Patch Limited. The Opito Trust is associated with Sally Synott, a Director in Pumpkin Patch Limited.
- The Group has made purchases of shop fixtures and fittings from Espies NZ Limited during the year of \$507,580 (2009: \$1,390,449). Espies NZ Limited is 49.5% beneficially owned by Kezza Family Trust, a shareholder of Pumpkin Patch Limited. Kezza Family Trust is associated with Maurice Prendergast, a Director in Pumpkin Patch Limited.

The following Directors received directors' fees and dividends in relation to their personally held shares as detailed below:

	6 MONTHS ENDED 31 JAN 2010		6 MONTHS ENDED 31 JAN 2009	
	DIRECTORS' FEES \$000	DIVIDENDS \$000	DIRECTORS' FEES \$000	DIVIDENDS \$000
Executive Directors	-	541	-	397
Non Executive Directors	187	505	123	410

9. COMMITMENTS

a. Capital expenditure commitments

The Group has commitments for future capital expenditure not provided in the condensed consolidated financial information as at 31 January 2010 of \$3.4 million (31 January 2009: \$2.3 million).

b. Operating Lease Commitments

Obligations payable after balance date on non-cancellable operating leases as follows:

	6 MONTHS ENDED 31 JANUARY 2010 \$000	6 MONTHS ENDED 31 JANUARY 2009 \$000
Total non-cancellable operating leases for the Group	260,958	259,116

10. CONTINGENCIES

As at 31 January 2010 the parent entity and Group had no contingent liabilities or assets. (2009: \$nil)

11. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to the balance sheet date, the directors declared an interim dividend of 4.5 cents per share (January 2009: 3.0 cents per share) or \$7.5 million (January 2009: \$5.0 million).





directory

DIRECTORS

Greg Muir – Chairman
Maurice Prendergast – Chief Executive Officer
Chrissy Conyngham – Group General Manager/Design Director
Jane Freeman – Independent Director
David Jackson – Independent Director
Sally Synnott

SENIOR MANAGEMENT

Brian De Gregory – GM Human Resources
Bronny Jacobsen – GM Merchandise
Bruce Walkley – GM Direct
Chris Cardwell – GM Property
Glenys Hoffmann – GM Supply Chain
Kate Tattersfield – GM Marketing
Matthew Washington – Chief Financial Officer
Neil Cowie – Chief Operating Officer
Zarina Thesing – GM Information Technology



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playing their part

