



# Pumpkin Patch Full Year Result July 2007



# Performance Highlights – FY2007

- Group operating revenue of \$365.7m – up 17.9% on FY06
- Strong sales and EBIT performances in Australia and New Zealand
- Group EBITDA of \$60.6m – up 9.4% on FY06
- Group EBIT of \$46.0m – up 2.6% on FY06
- Interest \$3.5m – up from \$0.6m in FY06
- NPAT of \$27.6m – down 3.2% on FY06

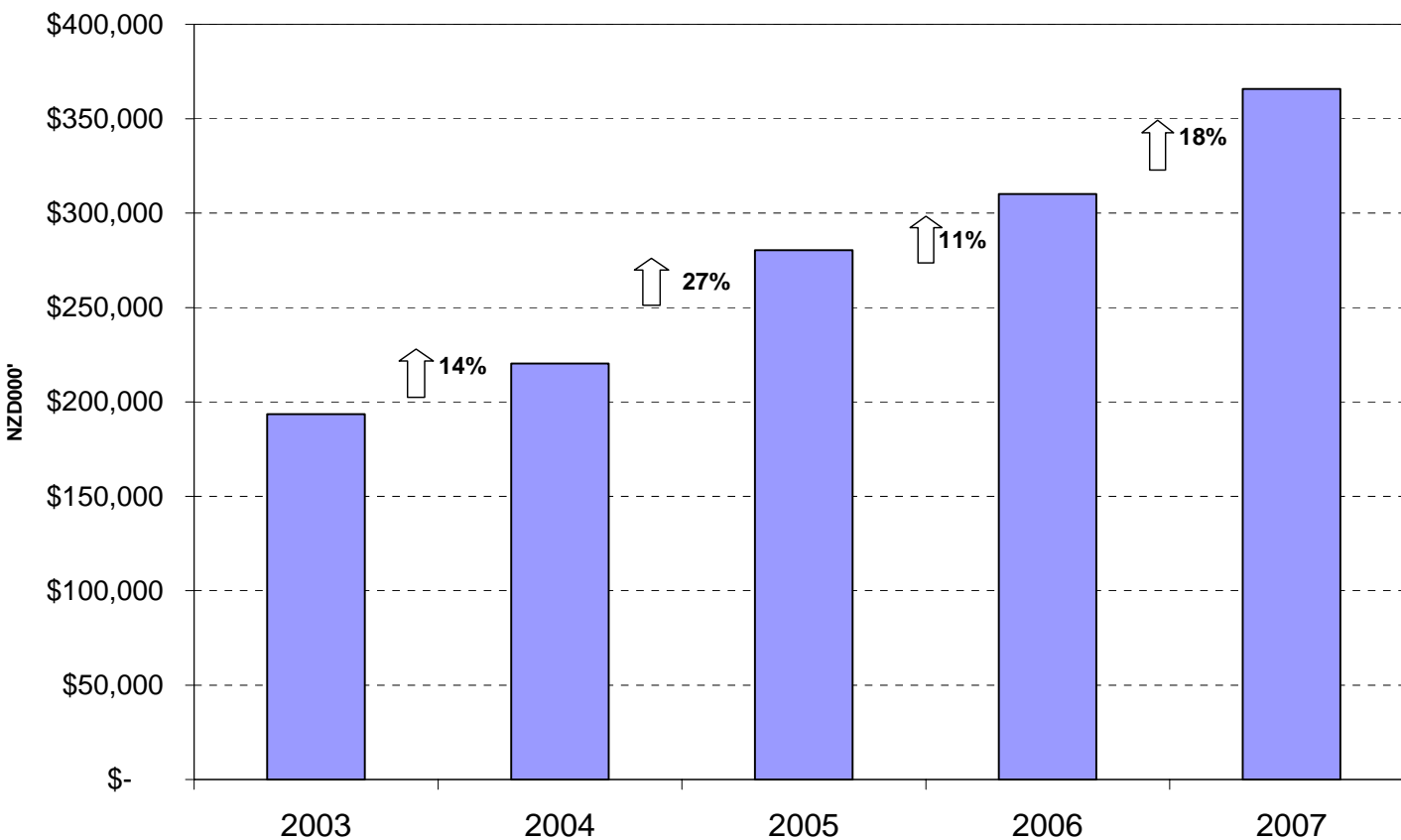


# Performance Highlights – FY2007

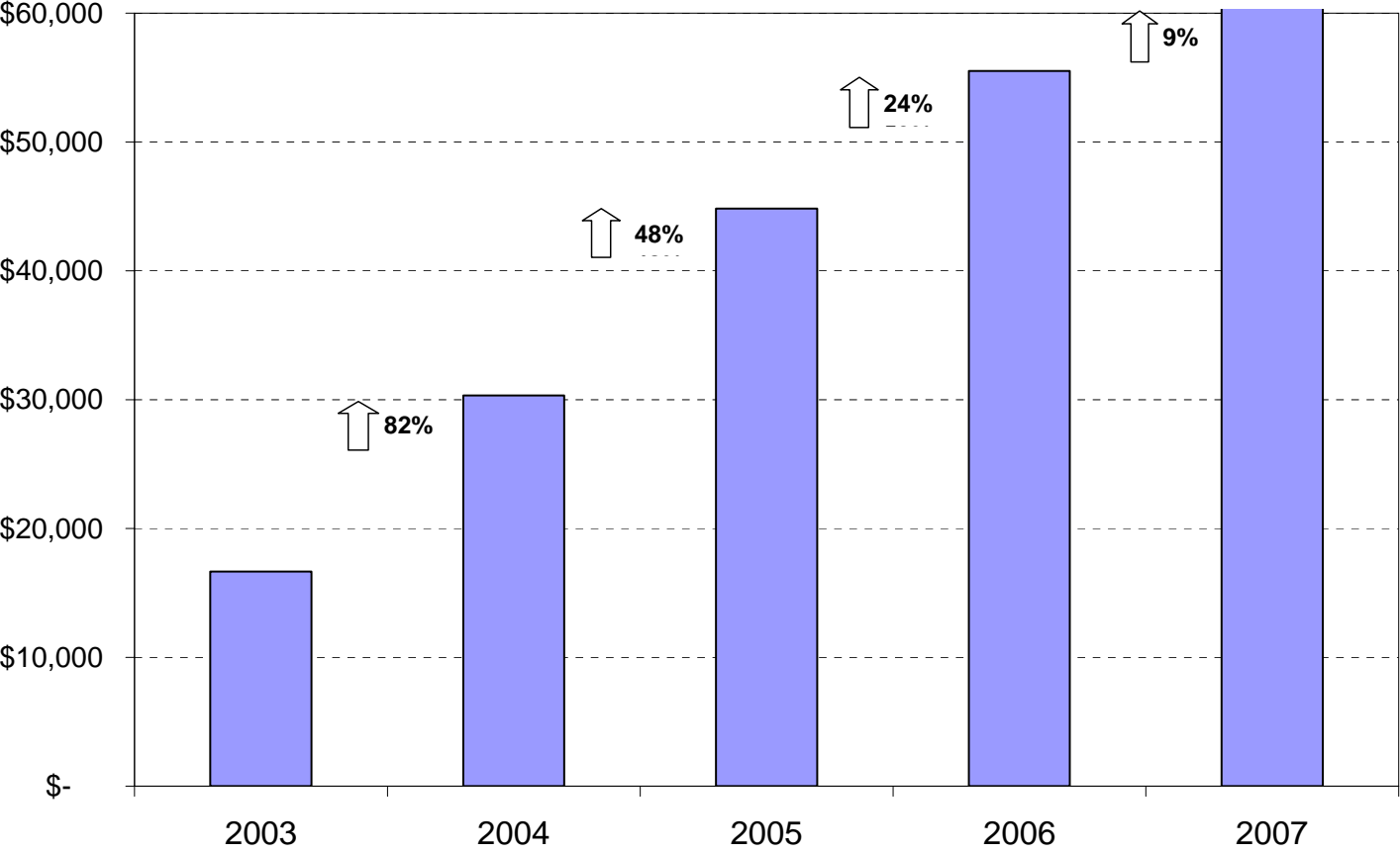
- Quota costs of \$4.2m EBIT (vs. \$3.4m in FY06)
- 35 stores opened across 4 retail markets (vs. 32 in FY06); total stores 200
- New markets continue to gain momentum
- Pumpkin Patch product now available in over 580 locations across 16 markets
- Final dividend of 4.50cps, fully imputed. Total dividend for 2007 9.00cps (2006: 8.50cps)



# Since 2003 Operating Revenue has grown at a 17% compound average growth rate



Since 2003 EBITDA has grown at a compound average growth rate of 38%



# Financial Highlights

## Statement of Financial Performance

	<b>July 2007</b> (12 months)	<b>July 2006</b> (12 months)	<b>%</b>
Operating Revenue	365,717	310,109	17.9%
EBITDA	60,611 16.6%	55,427 17.9%	9.4%
EBIT	46,007 12.6%	44,858 14.4%	2.6%
Interest	3,534 1.0%	573 0.2%	516.8%
Net Profit After Tax	27,585 7.5%	28,500 9.2%	(3.2%)
Earnings (CPS)	16.6	17.1	
Fixed charge cover	1.7	2.0	
Interest Cover	13.0	78.3	



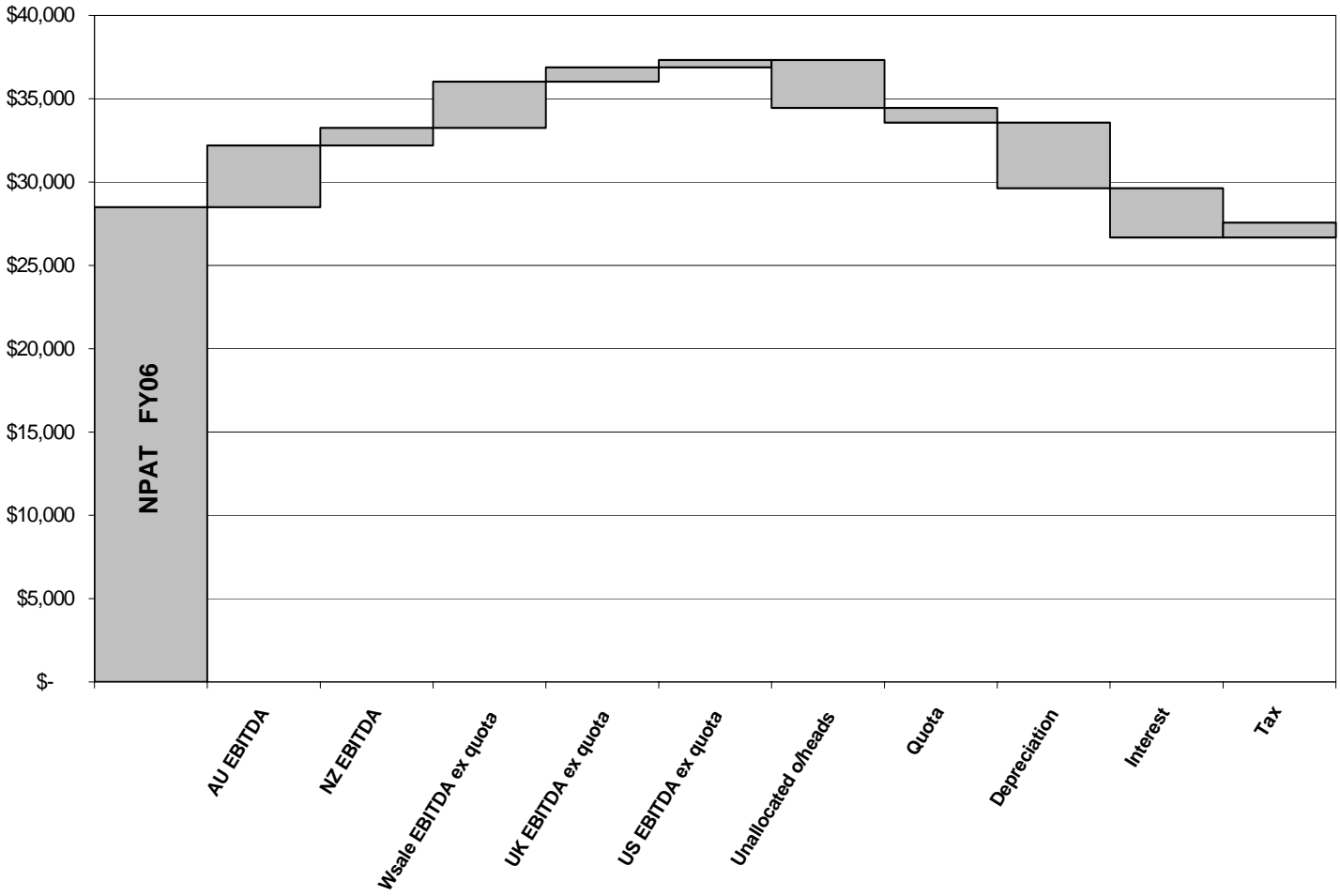
# Financial Highlights

## Impact of Quota

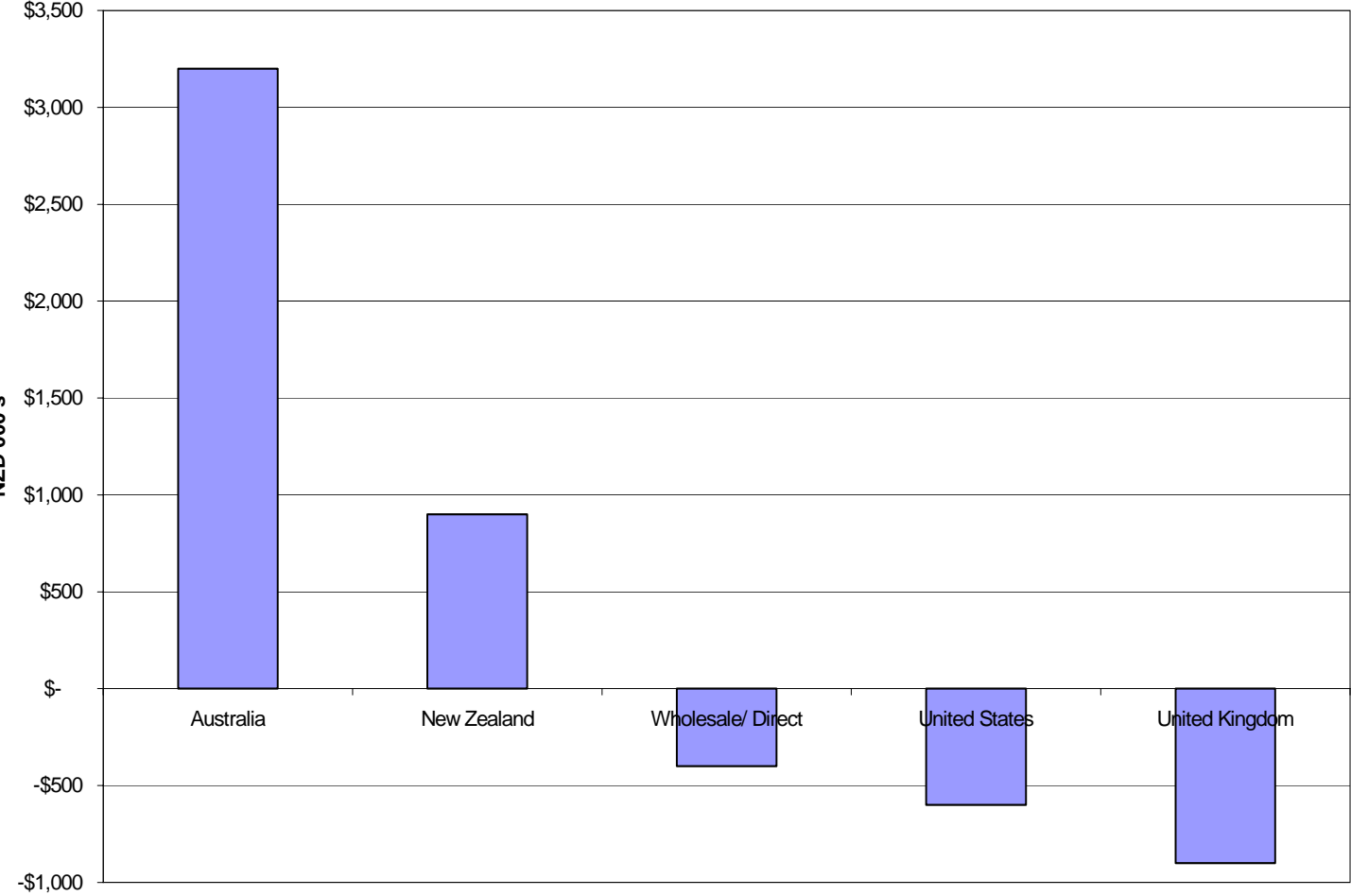
	<b>July 2007</b> (12 months)	<b>July 2006</b> (12 months)	<b>%</b>
Direct Quota Cost	4,239	3,364	26.0%
EBITDA (before quota)	64,850 17.7%	58,791 18.9%	10.3%
EBIT (before quota)	50,246 13.7%	48,222 15.6%	4.2%
Net Profit After Tax (before quota)	31,824 8.7%	31,564 10.2%	0.8%
Earnings (CPS)	19.1	18.9	
Fixed charge cover	1.8	2.1	
Interest Cover	14.2	84.2	



# NPAT – 2007 vs. 2006



# Divisional EBIT – Actual vs. Consensus



# Financial Highlights

## Statement of Financial Position

	July 2007	July 2006	Change
Current assets	107,812	84,861	22,951
Non-current assets	77,755	57,300	20,455
<b>Total assets</b>	<b>185,567</b>	<b>142,161</b>	<b>43,406</b>
Current liabilities	31,302	28,578	2,724
Bank debt	37,095	13,008	24,087
Non-current liabilities	6,880	3,662	3,218
<b>Total liabilities</b>	<b>75,277</b>	<b>45,248</b>	<b>30,029</b>
<b>Net assets</b>	<b>110,290</b>	<b>96,913</b>	<b>13,377</b>



# Financial Highlights

## Statement of Cashflows

	<b>July 2007</b> 12 months	<b>July 2006</b> 12 months	<b>Change</b>
Net cashflow from operating activities	25,940	31,134	(5,194)
Net cashflow from investing activities	(35,762)	(30,065)	(5,697)
Net cashflow from financing activities	(14,265)	(14,150)	(115)
<b>Net decrease in cash held</b>	<b>(24,087)</b>	<b>(13,081)</b>	<b>(11,006)</b>
Closing bank debt	(37,095)	(13,008)	

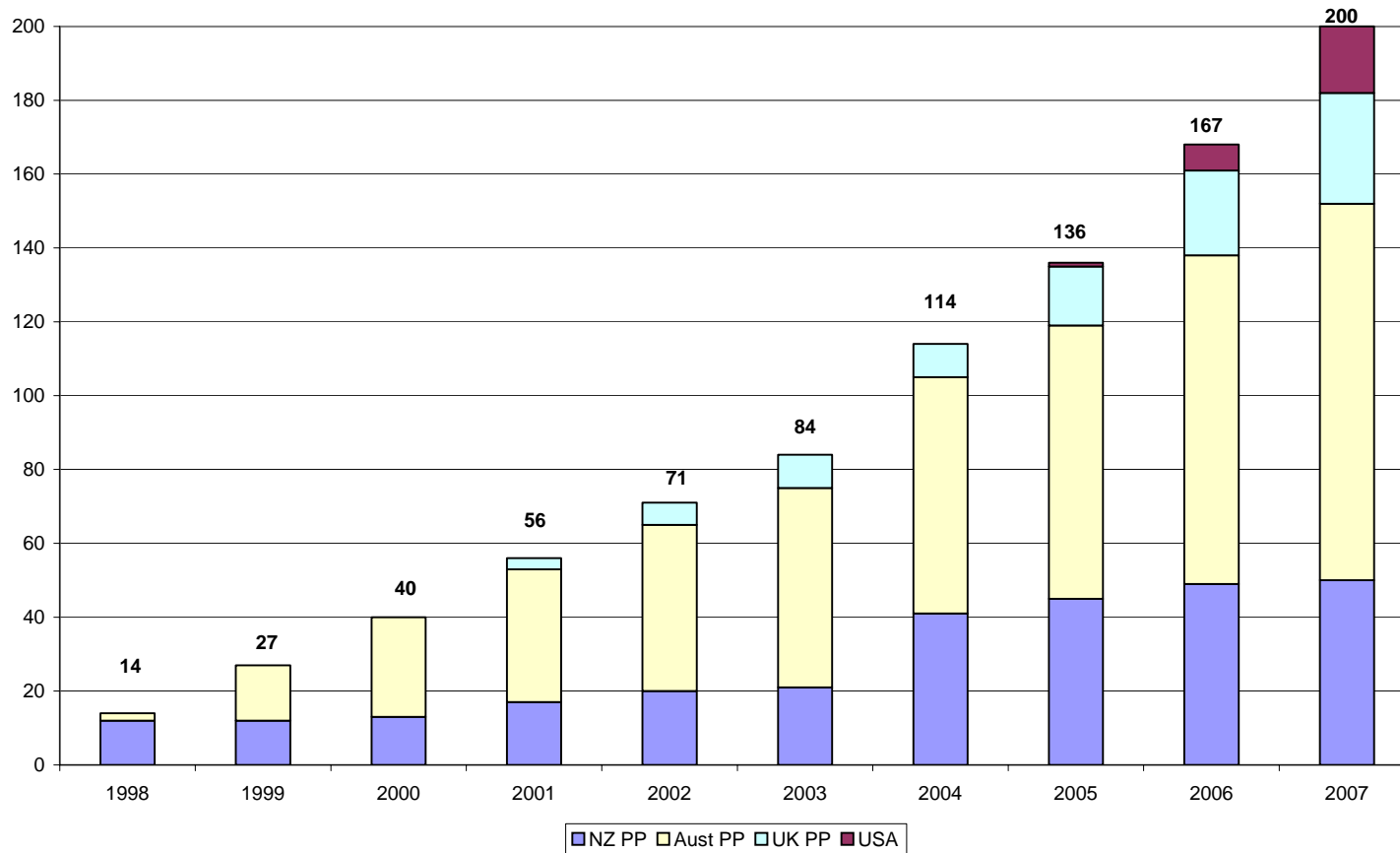


# Store Openings – 2007

	2007 Total Stores Open	1H07 Store Openings	2H07 Store Openings	FY2007 Total Store Openings	FY06 Total Store Openings
<b>Australia</b>					
Pumpkin Patch	90	4	6	10	11
Outlets	11	2	1	3	3
Urban Angel	1	0	0	0	0
	102	6	7	13	14
<b>New Zealand</b>					
Pumpkin Patch	32	2	1	3	1
Outlets	8	1	0	1	4
Urban Angel	10	-2	-1	-3	-1
	50	1	0	1	4
<b>United Kingdom</b>					
Pumpkin Patch	29	4	3	7	6
Outlets	1	0	0	0	1
	30	4	3	7	7
<b>United States</b>					
Pumpkin Patch	18	7	4	11	6
	<b>200</b>	<b>18</b>	<b>14</b>	<b>32</b>	<b>31</b>
Add back Urban Angel store mergers in period		2	1	3	1
<b>Stores opened in period</b>		<b>20</b>	<b>15</b>	<b>35</b>	<b>32</b>



# Store Numbers – July 2007



- Mix of store openings moving towards US and UK



# Divisional Results



# Australia Retail

	<b>July 2007</b> (12 months)	<b>July 2006</b> (12 months)	
Turnover AUD	156,945	147,572	6.4%
Turnover NZD	178,119	163,495	8.9%
EBIT NZD	35,513	32,510	9.2%
	19.9%	19.9%	
Stores:			
Pumpkin Patch	90	80	
Outlet	11	8	
Urban Angel	<u>1</u>	<u>1</u>	
	102	89	



# Australia Retail

## Highlights

- Sales growth
  - AUD sales up 6.4%
  - NZD sales up 8.9%
  - Performance improvement in 2H07
  - Reflects strength of Pumpkin Patch brand
- EBIT growth
  - EBIT \$ up 9.2%
  - EBIT % same as FY06 – focus on margins
- 13 stores opened vs. 14 in FY06
  - New stores: PP 10, Outlet 3
  - Total stores now 102



# New Zealand Retail

	<b>July 2007</b> (12 months)	<b>July 2006</b> (12 months)	
Turnover	64,334	59,694	7.8%
EBIT	12,686	11,837	7.2%
	19.7%	19.8%	
Stores:			
Pumpkin Patch	32	29	
Outlet	8	7	
Urban Angel	<u>10</u>	<u>13</u>	
	50	49	



# New Zealand Retail

## Highlights

- Sales growth
  - Sales up 7.8%
  - Noticeable improvement in 2H07
  - Reflects strength of Pumpkin Patch brand
- EBIT
  - EBIT \$ up 7.2%
  - EBIT % similar to FY06 - focus on margins
- 4 new stores opened vs. 5 in FY06
  - New stores: PP 3, Outlet 1
  - Merged 3 UA stores into existing PP stores
  - Total stores now 50



# United Kingdom Retail

	July 2007 (12 months)	July 2006 (12 months)	
Turnover GBP	19,564	15,113	29.5%
Turnover NZD	54,258	40,883	32.7%
EBITDA NZD	4,069 7.5%	3,635 8.9%	11.9%
EBIT NZD	1,243 2.3%	1,839 4.5%	(32.4%)
EBIT NZD (excluding quota)	2,819 5.2%	2,996 7.3%	(5.9%)
Stores:			
Pumpkin Patch	29	22	
Outlet	<u>1</u>	<u>1</u>	
	30	23	



# United Kingdom Retail

## Highlights

- Sales growth
  - GBP sales up 29.5%
  - NZD sales up 32.7%
  - Soft retail environment in 2H07
  - Brand awareness continues to grow
- EBIT
  - EBIT \$ down 5.9% excluding quota
  - EBIT impacted by new store opening costs, quota, and logistics complexities
  - 18 of the 23 stores open greater than 1 year are trading profitably
- 7 stores opened vs. 7 in FY06



# United States Retail

	<b>July 2007</b> (12 months)	<b>July 2006</b> (12 months)	
Turnover USD	12,805	3,802	236.8%
Turnover NZD	18,137	5,826	211.3%
EBITDA NZD	326 1.8%	1 0.0%	
EBIT NZD	(1,533) (8.5%)	(429) (7.4%)	(257.3%)
EBIT NZD (excluding quota)	(384) (2.1%)	604 10.4%	
Stores:			
Pumpkin Patch	18	7	



# United States Retail

## Highlights

- Sales
  - Sales momentum building at store level
  - Early stores trading profitably
- EBIT
  - Impacted by store opening costs, local infrastructure investment and quota
  - Store level EBIT growth as sales momentum builds
  - 4 of the 7 stores open greater than 1 year are trading profitably.
  - Continue to invest in retail infrastructure
- 11 stores opened vs. 6 in FY06
  - 18 stores now open (California 12, Washington State 2, Arizona 2, Oregon 1, Texas 1)



# Wholesale and Direct

	<b>July 2007</b> (12 months)	<b>July 2006</b> (12 months)	
Turnover NZD	50,408	39,796	26.7%
EBIT NZD	14,048	11,636	20.7%
	27.9%	29.2%	
EBIT NZD (excluding quota)	15,562	12,810	21.5%
	30.9%	32.2%	



# Wholesale and Direct

## Highlights

- Sales
  - Growth seen across all markets
  - Negatively impacted by high NZD exchange rates
  - Early results from new Asian markets show promise
  - Product now sold via 384 partner locations in 15 markets
  - Mail order and internet selling to United States and United Kingdom
- EBIT
  - EBIT \$ up 20.7%
  - Result includes quota costs of \$1.5m (\$1.2m FY06)
  - EBIT % impacted by market development costs (Singapore and UK offices)



# Outlook 2008

- **Australia**

- Current solid trading conditions expected to continue
- Open at least 6 stores

- **New Zealand**

- Strong brand awareness to protect sales
- Open 1 store

- **United Kingdom**

- Continuation of the current soft trading conditions
- Quota regime expected to cease 1 January 2008 – no EBIT benefit expected until 2009 year
- Continue expansion – expect to open 8 stores



# Outlook 2008 – cont

- **United States**

- Store level sales momentum will continue to build
- 14 of the 18 stores now open are expected to trade profitably in 2008
- Open at least 16 new stores including first East Coast store
- Continue to identify sites for 2009 and beyond

- **Wholesale and Direct**

- Continue to work with more established partners (Jawad, Nordstrom, David Jones) to grow sales
- Assist new Asian partners implement growth strategies
- Investigate other opportunities for 2009 and beyond
- Grow internet and mail order activities in the United Kingdom and United States



# Dividend

- Final dividend of 4.50 cps
  - Total dividends for 2007 of 9.00cps (2006: 8.50cps)
  - In line with stated policy of distributing approximately 50% of NPAT
  - Fully imputed for New Zealand residents
  - Fully franked for Australian residents
  - Supplementary dividend to be paid to non-residents
  - Payment date 17<sup>th</sup> October/ Record date 5<sup>th</sup> October



# Foreign Currency

Current FX position – major currency pairings

		FY08	FY09	FY10
<b>Exports</b>				
NZD/ AUD	% covered	61%	51%	0%
	Ave cover rate	\$0.8483	\$0.8418	-
NZD/ GBP	% covered	57%	40%	0%
	Ave cover rate	\$0.3402	\$0.3301	-
<b>Imports</b>				
USD/ AUD	% covered	88%	82%	54%
	Ave cover rate	\$0.7294	\$0.7253	\$0.7780
USD/ NZD	% covered	89%	87%	81%
	Ave cover rate	\$0.7043	\$0.6939	\$0.6886
USD/ GBP	% covered	79%	70%	57%
	Ave cover rate	\$1.9052	\$1.9147	\$1.9413



