Pumpkin Patch Limited
Addresses to the 2011 Annual Meeting of Shareholders
Tuesday 22nd November 2011

The following document contains the addresses given by Jane Freeman (Chairperson), Maurice Prendergast (retiring Chief Executive Officer), and Neil Cowie (Chief Executive Officer designate).

The addresses should be read in conjunction with the Annual Shareholders Meeting presentation.

Chairperson (Jane Freeman)

2011 was perhaps one of the most challenging years the Company has ever encountered. Not only did we face difficult trading conditions in all our markets and a continuation of the higher New Zealand dollar, we also had to deal with a number of other challenges such as a series of natural disasters and civil unrest in key markets around the world. A number of very well known international retailers have fallen by the way side over the last year and many more have announced major reorganisation and store closure programs. It has been a very tough time for the industry.

However regardless of the challenges we faced the financial performance of the company was disappointing for the Board, the management team and of course you as shareholders. We are well aware of the fact that the results in recent years have not been good enough and that you are expecting us to make changes that improve both short and long term results. This has led to a complete review of strategy, structure and operations. We know we must do better.

The company is in a state of transition. It has gone from being an entrepreneurial start up business, to a more mature organisation. We are transitioning our people, our thinking and our overall strategy to capitalise on the efforts of the past, whilst developing the opportunities of the future.

A number of initiatives are already underway.

Online:

We recognize the market itself is changing rapidly in these tough economic times. People are buying products differently, and are more demanding in their pursuit of value for money—they want a quality product at the best possible price—and they are prepared to shop around. In addition, they want convenience, and the role of online media, and online distribution is becoming critical to our business.

A highlight from last year was the very strong performance from our online business that operates in Australia, New Zealand, the United Kingdom, the United States, and Ireland. Combined they generated a sales increase of over 20% in the 2011 financial year. Neil will give you an update on how online is trading so far this year but I am pleased to say that the strong performance from last year has carried across into 2012.

To leverage off our existing online and supply chain capabilities we are currently looking at a number of developments both here and offshore. We will be announcing one of those new initiatives later in the meeting. This is an area of growth for the business but one which we need to explore more fully.

Costs:

During the year we took a hard look at all parts of our business to ensure we address any underperforming business units, to ensure the Company is appropriately structured to deal with current challenges and is well positioned to take advantage of the international potential that our brands offer.

Neil will soon give you an update on the closure of the United States retail stores and the review of the United Kingdom stores, and will provide some more detail on what has been done to realign the overheads across the business to suit the structure that we believe is appropriate.

We are committed to continually reviewing our cost structures, as in a market such as this, overheads have to be contained. If a cost does not generate an appropriate return, we will eliminate the cost.

Board rotation:

Pumpkin Patch is not like most other New Zealand retailers. We are a design led organisation that operates in 20 markets around the world with each market having its own special characteristics. Fashion is an exceptionally fast paced business requiring special skills to drive and lead the business as we constantly try to stay ahead of our customer’s expectations. For that reason we need an appropriate mix of skills at the Board table.

Over the coming months I will be leading a review of the current Board structure. The review will be a wide ranging one but in simple terms we will be assessing what Board structure we should have and what skills and experience we need to best support the business going forward.

Regardless of the outcome of the review the Board composition will be changing in the coming year or so.

- David Jackson is due for re-election next year however he has informed the Board that he will not be seeking another term.
- While Sally Synnott is seeking re-election today she has advised that if appropriate she will stand down as a director over the next year or so. Sally has an intuition and depth of experience in our business that is second to none and those skills are invaluable to us currently. In the future we will be looking to bring in additional retail and international brand knowledge to supplement the skills already at the Board table. At that point it may be appropriate for Sally to stand down.

Director Fees:

Over the last year the Board has seen the management team implement a number of initiatives to drive down the cost base of the business so that it better fits the global retail environment that we are operating in. This led to the loss of 55 positions at our Head Office and distribution centre and an additional number across the store network. Management have also implemented a salary and wages freeze across Head Office.

In keeping with this I have reviewed board compensation and have reduced director fees to $50,000 and the chairperson's fee to $85,000 per annum. This level is more in keeping with the retail sector and the environment and situation we find ourselves in.

This amounts to a reduction of the total fees paid to the current 4 non-executive directors of around $130,000 per annum or 35%.

In addition I will ensure the subject of future director fees forms part of the board review.

Some hard decisions were made in 2011 and we believe some more hard decisions will need to be made in 2012. However no matter how hard those decisions I am confident that we have a team that is prepared to make them and implement whatever changes are required to ensure Pumpkin Patch is well positioned for the future and delivers the results we know it can.

The Customer

No company can be successful without a clear understanding of its brand and its customers. Pumpkin Patch is the market leader in branded children's wear in Australasia, where we enjoy high brand recognition and a strong retail footprint. To develop a growth strategy for the future, we need to clearly understand our current and potential customer base, how our brands are positioned versus our competitors, and where the opportunity exists for our brands to grow. To that end we intend to review these areas thoroughly through a new research platform, which will clearly determine where our brand opportunities lie.

In summary, as I said earlier we are in transition over the next 12 months we will be completely reviewing our business from the perspectives of all stakeholders, and we will leave no stone unturned in our pursuit of improved performance and operational efficiency.

Before I wrap up I would like to thank Maurice for the huge amount of effort and dedication he has invested in Pumpkin Patch over the last 18 years. He has been the driving force behind the transformation of Pumpkin Patch from a small New Zealand mail order business to an international childrenswear company. You cannot imagine the hours and hours of effort, the dedication, intuition and personal care that Maurice has given to this business over the years, and Maurice, we are truly indebted to you for everything you have done, and of course, your vision and leadership over the years.

I would also like to publically congratulate Neil on his appointment to the role of CEO. Neil is a seasoned executive with considerable international experience who we know will build on the great foundations Maurice has established and leverage those to deliver value to the business in coming years. Neil will be addressing you soon to introduce himself and to outline some of his priorities for the coming year, but let me tell you that in the last few weeks Neil has made a huge impact on the business, and I am truly excited about what the future might hold under Neil's direction. This business is in safe hands.

While we face some difficult conditions across our markets we do not believe the current share price is reflective of the underlying value of the business even in the current environment and it certainly does not reflect the value of the opportunities that we believe exist for the company going forward.

However the Board and the management team are well aware that for the share price to appropriately reflect the true value of the business we must deliver better financial results and increase the confidence of the market in the company. This includes better educating the market on the business and what opportunities each part of the business offers us, and to explain what strategies we are implementing to drive better results.

And that process starts today.

Chief Executive Officer - retiring (Maurice Prendergast)

As Jane has said it certainly was a challenging year, not just for us but for all retailers. To some extent we are in almost the perfect storm and our financial results certainly reflect that.

2011 had a number of unique challenges for the team. Trading conditions in all our markets deteriorated as the year went on and continue to be very challenging. Add to this much higher product costs and a stubborn New Zealand dollar and it became pretty obvious 2011 was going to be much more difficult than the very good result we had in 2010.

Despite this, the company still recorded a trading profit of $12.6m. I do agree with Jane that this is by no means satisfactory and we need to stabilize our earnings and provide shareholders with an on- going reliable dividend. I will outline some of the initiatives the management team have undertaken over the last 18 months to turn our performance around a little later but firstly let's look at last year's result.

As I said 2011 had some huge challenges but certainly the biggest impact for us was the increase in the price of raw cotton. We discussed in our half year announcements the difficulties we had in sourcing product at the very beginning of the year. Many of our suppliers were increasing product costs daily to cope with the escalating cotton price. Like all commodities cotton pricing is based around supply and this year a number of natural disasters forced cotton up over 300%. Our product, unlike womenswear, is very high in cotton content. The effect of this was to add just over $1.50 to every garment we purchased. When you are buying about 15 million garments a year this is a significant price increase to cope with.

As the cotton price is now decreasing we are starting to see some relief in our product purchasing for our winter range which starts selling from February. Unfortunately the cotton hangover will again affect our results this financial year.

As an exporter we have suffered from the high New Zealand dollar. Predominately all of our Wholesale accounts are traded in United States dollars. Last financial year we were lucky enough to have some cover at around US60c but unfortunately the New Zealand dollar has remained high for a long period.

While we can't forecast what happens in the future it looks as though these sort of rates are here in the near future and certainly this year, despite real growth in our Wholesale area, we will still be impacted.

Of course like all perfect storms it just happens as demand has dropped the currency has also caused us consternation on the import side of our business. Our normal conservatism on currency has in fact been our enemy with our purchasing pegged at US66c. The effect of this is that we have for the last 12 months lost an opportunity to have a lower product cost.

Currently we have about around 18 months of cover at around US68c and so there is little opportunity for us to gain from the US75c rate at present. To put this into some context, if we were able to gain say 5c of the 7c difference in currency this would equate to an increase in EBIT of about $8m. As I said a perfect storm.

It is no surprise to anyone that retailing around the world is difficult.

A number of one-off events had detrimental affects in nearly all of our markets. The Queensland floods and the Christchurch earthquakes and then riots in the Middle East where we have 50 stores. Its no wonder the hair got a little greyer this year.

Through all of this the team has remained positive and focussed on delivering the best outcome they could

We have announced a number of initiatives around costs already. We are now just starting to see benefits from the cost reduction programme we announced in June. We have taken a significant amount of expense out of our business already and continue to look at all costs closely. Capital expenditure has been reduced significantly and we will, over the course of the next 12 months, see the benefit in our balance sheet from this.

In the same announcement in June we also confirmed the closure of our United States stores. We have since closed four stores and the balance remain on track to close in January. Disappointing as it is, we believe in the end that the United States will continue to be a very difficult retail environment. The bad news in the United States continues with even the most seasoned of retailers now coming out with disappointing numbers. You only have to look at companies like GAP closing 700 stores in North America to appreciate the bleak outlook.

We are also now nearly finished our review of the United Kingdom operation. Again this is a market that has shown promise but still hasn't delivered consistent results that would give us confidence going forward. Currently in the United Kingdom one in five high street stores are vacant and this situation is getting worse not better. My last visit in the United Kingdom highlighted the challenges this market has, especially when you consider good operators with a long tenure in the market like Mothercare are making no money from their United Kingdom retail operations. Neil will outline his thoughts on the United Kingdom a little later

We are at home in Australia and New Zealand, faced with a consumer that is shell shocked by the economies around the world. Underlying we don't have the unemployment problem facing the United

States and Europe, but we do now have a customer used to getting a bargain. We do need to address our product so that the customer is getting from our brand the new sense of value they are wanting. As I mentioned we are seeing a drop in product costs and this will enable us to produce fashion that is more affordable and entice customers to buy more.

I am sure it seems as you listen to this that things at Pumpkin Patch are all gloom and doom but as I said earlier the team remains positive despite the challenges. This is a large business and it has taken some time to get the appropriate strategies in place for a global retailer in this environment. There has been some pain and certainly the challenges are by no means behind us.

Stock levels are set to reduce as we exit the United States and through lower product cost. Again, the benefit to our debt will happen but this will be most likely in 2013.

As I look forward certainly in the short term the environment doesn't look to improve and our results to some extent are a product of this retail recession. We have got strategies around the internet and Charlie and Me that will build our overall offer. Our Wholesale partners are starting to increase their orders again and there are new accounts in the pipeline. While this year will remain difficult, 2013 with a reduction in product cost, better foreign exchange and hopefully a stronger Australasia will improve our results.

Our brand remains sought after, our market share is stable and we will see improvements in our balance sheet as we reduce inventory in the United States and United Kingdom and improving costs.

This is my last official talk as CEO and I would like to say while it hasn't always been fun I have in the most part enjoyed and am proud of my role at Pumpkin Patch. As an exporter we will always be more vulnerable than some other New Zealand retailers to swings in the world economies but we should be excited to be shareholders that contribute in so many ways to help New Zealand pay its way in the world.

The people in particular have been an inspiration to work with, their dedication even in times pressure has been like no other company. I thank them immensely for the help and friendship. I know Neil has the ability and personality to lead this team and I remain sure that Pumpkin Patch will bounce away from the recession we are in, as a strong and successful company.

Chairperson (Jane Freeman)

Before handing over to Neil I would like to say a few words about Neil's appointment.

Neil joined Pumpkin Patch in January 2008 as Chief Operating Officer and has most recently had responsibility for the retail, wholesale, and logistics business units. We were delighted that our succession planning and talent development processes led to the appointment of such a high calibre executive to replace Maurice. Neil is a seasoned executive with considerable international retail experience who we know will deliver significant value to the business and its shareholders in coming years. Neil has already proved himself as a strong leader within the business, and that, coupled with his extensive retailing experience in New Zealand, Australia and South Africa, makes him an ideal CEO for the business going forward.

Chief Executive Officer designate (Neil Cowie)

Before I start I would like to thank the Board for the opportunity to lead the business into the future. I am very excited about the future of the business and consider myself to be very fortunate to be able to work with the very talented team that Maurice has built up over the years. While we have some challenges we need to deal with in the near term, there are a significant number of growth opportunities both in existing and new markets globally and I look forward to helping Pumpkin Patch take advantage of those opportunities.

Maurice has already given you an update on how the markets are currently looking and outlined a number of the initiatives we have started. Over the next few minutes I will provide you with an update of where we are at with those initiatives, provide an outline what my main priorities are over the coming year, and give you a taste of some of the things we are currently looking at.

Priority 1: Focus on Christmas trading period and managing current trading conditions

Firstly, it goes without saying but my main focus right now is ensuring we enter the all important Christmas trading period in the best possible position. The common opinion amongst retailers is that the Christmas period will be challenging so for that reason my primary focus over the next 6 weeks is the Christmas trading window and making sure we pull every trick out of the hat to maximise sales opportunities over that period.

As Maurice has said retail trading conditions across the markets are difficult with most commentators reporting that there are no immediate signs of improvement. However we have been working very hard to retain the strong market position that we have in Australia and New Zealand and we remain well positioned for when conditions do improve.

We are continuing to see strong growth in online sales across all five online markets with year to date sales up over 40%. We are expecting the online part of our business to become an increasingly important earnings generator going forward. I will soon show you one our latest online developments.

As mentioned earlier our Wholesale division was impacted last year from high exchange rates, the global slow down, and the various one off events that plagued our larger wholesale markets. This year we are seeing some of our wholesale partners increasing orders for product to be delivered in the latter part of the financial year. This is a positive sign that shows stability is returning to many of the markets and our partners confidence in their local markets is improving. However we still face the high exchange rate which negatively impacts the value of offshore sales when we convert them back to New Zealand dollars.

As in past years we will not be providing specific earnings guidance today as it is just far too early in the financial year to do that, especially so this year with the volatility being seen in our larger markets. We will certainly be able to provide a clearer picture when we report our half year result to you in early March.

Priority 2: Reduce bank debt

One of the key objectives of the Board and the management team is to deliver a significant reduction in bank debt and all of the initiatives I am about to outline will help us achieve this objective, either through better earnings results or from the lowering of funds invested in the business, for example from lower inventory holdings.

Capital expenditure in the coming year will be the lowest it has been since we listed. I expect it to remain significantly below long run average levels going forward as we focus more on wholesale and online growth which requires much lower levels of capital investment. Any store related capital expenditure will be weighted towards Charlie & Me stores which cost around a third of what it costs to fit out a normal Pumpkin Patch store.

And of course driving down debt on the back of improved earnings results will allow us to pay appropriate levels of dividends to our shareholders which I am sure you will all appreciate.

Priority 3: Fully understanding our customers

Another area I will be focusing on in the coming months is the extension of our existing market research program. Our independent market research shows that we have maintained our market share across Australia and New Zealand over the last few years.

However I do not just want to maintain market share, I want to grow it so we can drive significantly better returns from the investment we have in our brands and our stores. I have therefore started a larger more comprehensive market research program that will drill deep into the market place and will allow us to better understand how existing and potential customers see us and our brands.

This is a fundamental ingredient in setting longer term strategies for our brands and our various business units.

Priority 4: Reduce the cost of doing business

Another area of focus has been reducing the cost structure of the business. As Jane mentioned earlier we are different from most other New Zealand and Australian retailers who simply buy and sell other peoples products with no control over the positioning and values of those brands in the local market place.

Pumpkin Patch is a design driven business backed up by logistics, sourcing, marketing, IT, and other support systems that are needed to operate in global markets and are a lot more complex than if we were simply operating in New Zealand or Australia. If we hadn’t made the investment over the years we would not be able to contemplate the opportunities that are presenting themselves internationally and I believe long term the company would have been much worse for not doing so.

However we obviously need to ensure that we are operating with the lowest possible cost base while still functioning appropriately. During the year the management team implemented a number of initiatives focusing on overhead reductions across both head office and operational areas. As a result we saw a

10% reduction in the total cost of operating our Auckland based head office and distribution centre plus other savings across the store networks.

The most public change made to the business was the reorganisation of head office and distribution centre functions that led to the loss of around 55 positions. We also implemented a salary and wage freeze across head office and we thank our team for being so supportive of that difficult and potentially unpopular decision.

A less public initiative has been our concerted effort to drive down store rent costs which are a major cost to us. The balance of the financial returns between landlords and tenants has well and truly swung in the favour of landlords over the last few years and we don't think rent levels appropriately reflect the state of the retail environment or the economy in general. For this reason we are strongly resisting any rent increases and where leases are due for renewal we are fighting for significant rent reductions. If we cannot negotiate lease terms that we believe are fair and reasonable and that allow the stores to generate a reasonable return on our investment we will close stores. We are expecting this approach to lead to some conflict with landlords but the current situation cannot continue.

We have also implemented a number of initiatives in our supply chain to lower the overall cost per unit of moving product. Having an international business means we need to have our supply chain operating as efficiently as possible. As our international markets develop we are constantly looking for better and more cost effective ways of handling, storing, and shipping product whether it be in China, New Zealand, or our global markets

I can assure you that we are looking at all costs across the business and I have tasked the management team to drive additional savings across all areas. In this environment we cannot afford to carry any unnecessary costs in the business.

Priority 5: Closure of the United States Retail stores

We announced in 2011 that we were closing the last of our remaining United States retail stores. You will remember that back in 2009 we undertook a major reorganisation of the store network up there during which we closed 16 stores and significantly reduced the costs of running the remaining 20 stores mostly through the re-negotiation of lease costs.

We believed at the time that the trading environment up there would have improved by now but unfortunately that has not been the case. As a result we made the decision to close all the company owned stores in the market. The store closure program is progressing as planned with 4 stores closed year to date and with the remaining 16 stores on track to be closed by the end of January.

While the closure of the stores is a disappointment the decision is a necessary one as the stores were unlikely to deliver an appropriate return on the investment in the foreseeable future.

However where does that leave the Pumpkin Patch brand in the United States market? We continue to have a very strong Wholesale operation with Pumpkin Patch product available at around 200 locations across the United States. The majority of these locations are operated by our long standing partner

Nordstrom who consistently report Pumpkin Patch as either their number one or number two selling childrenswear brand which shows our product is still well received in the market place.

We also have a fast growing online operation in the United States that has been experiencing strong growth over the last couple of years. One of the big assets that the retail stores created for us is a database of around 170,000 active retail customers. As the retail stores close we will convert as many of those customers as we can to become online customers and keep them exposed to the Pumpkin Patch brand into the future.

At the same time we are exploring other options for the brand in the United States including possible wholesale, franchise or licence type arrangements. The success of our existing United States wholesale accounts and the online business supports our view that the Pumpkin Patch brand has a place in the United States and we will continue to explore all opportunities to maximise the brand's presence in that very large retail market.

Priority 6: Finalise strategy for United Kingdom Retail operation

During 2011 we announced we were reviewing a number of underperforming stores in the United Kingdom.

The United Kingdom retail stores have never generated an acceptable return on our investment due to a combination of high rent costs, a lack of scale of store numbers, and in more recent years very soft retail conditions. We believe that the worsening European economic situation will only add to the challenges in the United Kingdom.

As a result we are taking a very hard look at the operation and where we need to we will close stores that do not offer any prospect of generating a decent return on our investment. So far this year we have closed 4 stores that had leases expiring and we have another 10 stores with leases expiring over the coming 12 months which could also be closed if we cannot find suitable solutions for them.

The review is well advanced and we expect to be able to provide a more formal update around half year.

Priority 7: Wholesale – a major driver of future growth

Over the coming year we will be increasing our focus on our Wholesale division. The Wholesale division is possibly not well understood by the market so I will spend a few minutes giving you some general background information.

The Wholesale division is responsible for developing and supporting relationships with third party retailers who sell Pumpkin Patch product via their own outlets which could be either franchise type stores, concessions or store in store arrangements, or simply a department store set up. We currently have relationships in 19 countries globally with our product available in over 300 locations in those markets.

Wholesale offers a number of advantages to us as a business. The main advantage, apart from the earnings the division generates, is the opportunities it offers us to enter some very diverse markets that would have barriers to entry such as language, political, regulatory, or cultural barriers. These barriers can be broken down by using a local partner already established in the market

Another significant advantage is the low levels of capital needing to be invested when entering these new markets. We do not invest in the in-market infrastructure or store costs as that is paid for by the local partner. We also do not need to make any meaningful incremental investment in our business as these wholesale relationships leverage off our existing design, supply chain, and support functions.

The product is the same product that we have already designed for our own retail stores so there is little in the way of additional costs being incurred. In other words the Wholesale division generates significantly higher returns on a much lower investment base than our standard retail model which is obviously more attractive to you as shareholders.

Overall wholesale is a relatively low risk way of entering markets that we would never be able to enter ourselves. So next time you hear us mention we are entering a new wholesale market please remember we are not committing large amounts of capital to those new markets.

For these reasons we see the Wholesale division offering significant long term growth opportunities for us. We are currently investigating a number of new wholesale markets around the world but unfortunately I am not in a position to provide any details of specific markets today.

Priority 8: Development of Charlie & Me

Another initiative being worked on is the development of our new brand Charlie & Me.

Across pretty much every market globally around 70% of childrenswear sales is in what we call the everyday wear part of the market. The Pumpkin Patch brand is more focused on the smaller speciality end of the market whereas Charlie & Me is focused on this much larger everyday wear end.

What Charlie & Me potentially offers us is the opportunity to leverage off our existing core capabilities of design, sourcing, and supply chain to attack the very large everyday wear market around the world. Couple this with our capabilities with the retail, wholesale, and online business models and you have three different ways we can enter markets depending on what model best suits those markets.

We currently have 8 stores open in Australia and 4 open in New Zealand. To allow a good platform for testing the brand we have opened stores in a mix of locations ranging from big city mall to small country towns, from A grade locations to C grade locations, some with Pumpkin Patch near by and some with no Pumpkin Patch presence in the area. We have even opened a store right beside an existing Pumpkin Patch store.

Through monitoring of our customer database we have discovered the level of sales cannibalisation of existing Pumpkin Patch sales caused by Charlie & Me is considerably less than we expected. This is a very good sign for the future as it lessens the risk to our existing Pumpkin Patch business and supports our market research.

We have also opened a dedicated online trading site for Charlie & Me which has been trading very well.

While we see Charlie & Me more of an Australian retail opportunity we have received interest from potential overseas parties on taking Charlie & Me into their markets showing us that there is potential international wholesale or franchise opportunities for the brand.

Overall the results from Charlie & Me so far have been positive and we believe there is longer term potential with the concept. However even though we are confident about the concept we still consider ourselves to be in trial mode and more testing needs to be done before we commit to a brand roll out plan.

Priority 9: Online – leverage existing capabilities to drive growth

Our online business is another area of focus for us and over the last two years it has really started to make its presence felt.

Those of you old enough will remember that Pumpkin Patch started out in 1990 as a mail order business shipping product to customers after they had selected their purchases from a hard copy catalogue.

Obviously technology has developed very rapidly over the last 20 years. Due to the foresight of Maurice we have continually invested in our IT and logistics infrastructure to ensure we remained at the forefront of that technology. Today we have a very sophisticated internet platform that serves many hundreds of thousands of our online customers across 5 international markets.

During the year made changes to the way we manage online orders through our Auckland distribution centre. This increased our daily processing capacity by around 100% and significantly improved our delivery timeframes to customers. This gives us a great platform on which to base the significant growth we are expecting from online in the future.

Our systems allow us process orders and ship out of our Auckland distribution centre to customers across Australasia, New Zealand, the United States, the United Kingdom, and Ireland within delivery windows that match and in many cases exceed those of online businesses operating locally in those countries. We constantly get feedback from customers in those markets saying how we exceeded their delivery expectations. All from down here in Auckland.

Year to date we are experiencing over 40% growth in online sales. Our online sales as a percentage of our total turnover is double that of the global industry average meaning we are well ahead of the majority of retail companies around the world.

In the longer term ongoing growth in the sales of Pumpkin Patch and Charlie & Me online will drive increased earnings which are at higher margins than retail sales due to the low level of incremental investment required in the online business.

We have been developing a number of online initiatives to get increased leverage off our internet and logistics systems without having to make any meaningful incremental capital investment.

During the current season we launched with Nordstrom Direct in the United States and we are currently investigating a number of other possible relationships with some of the world's largest online shopping sites to link our offering to their sites, again to expand our international markets by leveraging our existing capability without making any meaningful capital investment.

And today I am pleased to announce the launch of our latest online initiative, the Patch General Store. This new site utilises our existing systems and capabilities and at the same time expands our product offering to the 5 million people we have on our database across our 5 online markets.

We know our customers want to buy a wider range of products from a name they can trust, so we are offering them the opportunity to buy a lot of what mum and dads need to get them started. It also gives you a great way to easily and confidently buy gifts for your grandchildren from a name you can trust.

The Patch General Store will stock some of the best known international brands and some exciting high quality New Zealand brands as well. You can buy a wide range of products from bottles and nappies, travel bags and accessories, monitors and other items to keep your children safe, through to everything you need for the nursery and bedroom. It is the one stop shop for busy parents.

While this site will start out small and is being slowly rolled out across Australasia it gives you a taste of what we believe we can do with our systems and our customer database to expand the offering to the market and drive increased earnings.

So as you can see we certainly have our work cut out for us however we are up to the challenge and remain dedicated to delivering improved results into the future and driving improved value to shareholders.

Finally I would like to again thank the Board for the opportunity to lead Pumpkin Patch into the future. I am very fortunate to have a very talented management team supporting me who are in turn supported by some amazing people across the business. I have the privilege of meeting many of the team on a day to day basis and I am constantly impressed by the skills and dedication they have towards making Pumpkin Patch a true success story.

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