

UNAUDITED CONSOLIDATED INCOME STATEMENT

FOR THE HALF YEAR ENDED 31 JANUARY 2009

	Half Year Ended 31 January 2009 Unaudited	Half Year Ended 31 January 2008 Unaudited
	\$000	\$000
Sales Revenue	211,091	204,830
Cost of Goods Sold	(89,700)	(84,271)
Gross Profit	121,391	120,559
Other operating income	133	212
Selling expenses	(95,138)	(88,075)
Finance expenses	(3,590)	(3,006)
Administrative and General expenses	(8,680)	(13,447)
Profit before income tax	14,116	16,243
Income tax expense	(4,614)	(6,022)
Net Profit Attributable to the Shareholders	9,502	10,221
Earnings per share for profit attributable to shareholders:		
Basic earnings per share (cents)	5.71	6.11
Diluted earnings per share (cents)	5.71	6.11

UNAUDITED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 JANUARY 2009

	Share Capital	Reserves	Retained Earnings	Total Equity
	\$000	\$000	\$000	\$000
Audited Balance as at 1 August 2007	56,703	(9,418)	48,259	95,544
Profit for the period	-	-	10,221	10,221
Shares issued (repurchased)	771	-	-	771
Movement in treasury stock	225	-	-	225
Movement in reserves	-	8,118	-	8,118
Dividends paid	-	-	(7,704)	(7,704)
Unaudited Balance as at 31 January 2008	57,699	(1,300)	50,776	107,175
Profit for the period	-	-	6,858	6,858
Shares issued (repurchased)	292	-	-	292
Movement in treasury stock	21	-	-	21
Movement in reserves	-	(11,120)	-	(11,120)
Dividends paid	-	-	(6,496)	(6,496)
Audited Balance as at 31 July 2008	58,012	(12,420)	51,138	96,730
Profit for the period	-	-	9,502	9,502
Shares issued (repurchased)	(1,123)	-	-	(1,123)
Movement in treasury stock	40	-	-	40
Movement in reserves	-	63,343	-	63,343
Dividends paid	-	-	(5,868)	(5,868)
Unaudited Balance as at 31 January 2009	56,929	50,923	54,772	162,624

UNAUDITED CONSOLIDATED BALANCE SHEET AS AT 31 JANUARY 2009

	As at 31 January 2009 Unaudited \$000	As at 31 January 2008 Unaudited \$000	As at 31 July 2008 Audited \$000
Equity			
Share capital	56,929	57,835	58,012
Share options reserve	4,608	3,261	3,823
Foreign currency portfolio restructure reserve	22,144	-	-
Foreign currency translation reserve	12,826	-	-
Cashflow hedge reserve	11,345	(4,698)	(16,243)
Retained earnings	54,772	50,777	51,138
Total Equity	162,624	107,175	96,730
Assets			
Current Assets			
Trade receivables	8,753	5,244	14,025
Advances to employee share scheme and employees	-	290	113
Other receivables and prepayments	7,928	8,875	5,865
Inventories	114,780	118,990	121,761
Income Tax Receivable	-	2,841	3,398
Derivative financial instruments	12,798	7,088	3,239
Total Current Assets	144,259	143,328	148,401
Non Current Assets			
Property, plant and equipment	98,149	81,391	89,410
Intangible assets	5,001	5,908	5,322
Investments	4	4	-
Other receivables and prepayments	-	-	117
Deferred taxation	-	3,937	8,430
Derivative financial instruments	6,930	5,830	1,267
Total Non Current Assets	110,084	97,070	104,546
Total Assets	254,343	240,398	252,947
Liabilities			
Current Liabilities			
Interest bearing liabilities	32,357	65,422	81,337
Trade payables	12,774	14,852	6,583
Income tax payable	6,421	-	-
Provisions	21,142	23,022	27,905
Derivative financial instruments	1,919	14,071	19,582
Total Current Liabilities	74,613	117,367	135,407
Non Current Liabilities			
Provisions	13,168	9,073	11,164
Deferred taxation	2,582	-	-
Derivative financial instruments	1,356	6,783	9,646
Total Non Current Liabilities	17,106	15,856	20,810
Total Liabilities	91,719	133,223	156,217
Net Assets	162,624	107,175	96,730

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE HALF YEAR ENDED 31 JANUARY 2009

	Half Year Ended 31 January 2009 Unaudited	Half Year Ended 31 January 2008 Unaudited
	\$000	\$000
Operating Activities		
<u>Cash was provided from:</u>		
Receipts from customers	209,969	212,643
Net receipts from restructure of foreign exchange contracts	36,198	-
Interest received	166	75
	246,333	212,718
<u>Cash was applied to:</u>		
Payment to suppliers and employees	(170,415)	(201,417)
Income tax paid	(6,437)	(7,820)
Interest paid	(3,590)	(3,006)
Net sales tax paid	(1,908)	(1,935)
	(182,350)	(214,178)
Net Cash flow from operating activities	63,983	(1,460)
Investing activities		
<u>Cash was applied to:</u>		
Purchase of property, plant and equipment	(8,132)	(19,739)
Other investing cash flows	(51)	(194)
Net Cash flow from investing activities	(8,183)	(19,933)
Financing Activities		
<u>Cash was provided from:</u>		
Other financing cash flows	171	770
	171	770
<u>Cash was applied to:</u>		
Dividends paid	(5,868)	(7,704)
Re-purchase of share capital	(1,123)	-
	(6,991)	(7,704)
Net Cash flow from financing activities	(6,820)	(6,934)
Net Increase / (Decrease) In Cash Held	48,980	(28,327)
Add opening cash and cash equivalents brought forward	(81,337)	(37,095)
Ending cash and cash equivalents carried forward	(32,357)	(65,422)

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS cont. FOR THE HALF YEAR ENDED 31 JANUARY 2009

	Half Year Ended 31 January 2009 Unaudited	Half Year Ended 31 January 2008 Unaudited
	\$000	\$000
Reconciliation with net profit after tax	9,502	10,221
Items not involving cash flows		
Depreciation expense	7,681	7,838
Fit-out contributions amortised	(1,815)	(1,406)
Amortisation expense	822	870
Revaluation of financial instruments	(1,729)	743
Amortisation of share options cost	785	816
Foreign Currency Translation Reserve	4,088	-
	9,832	8,861
Impact of changes in working capital items		
Decrease in trade receivables	5,425	5,221
Decrease (increase) in inventories	6,981	(33,029)
Decrease (increase) in prepayments and other assets	(1,950)	2,409
Decrease (increase) in deferred tax	(10,337)	1,068
Increase (decrease) in taxation payable	9,819	(3,608)
Increase in trade payables	6,191	466
Increase (decrease) in other payables and provisions	(3,114)	6,931
Foreign Exchange Restructure Reserve	31,634	-
	44,649	(20,542)
Net cash flows from operating activities	63,983	(1,460)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 JANUARY 2009

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 and domiciled in New Zealand.

2. Summary of significant accounting policies

This condensed consolidated interim financial information for the six months ending 31 January 2009 has been prepared in accordance with NZ IAS34, Interim Financial Reporting.

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 July 2008, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

a. Changes in accounting policies

Except as outlined below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 July 2008, as described in those annual financial statements.

b. Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's operations are measured using the currency of the primary environment in which it operates ("the functional currency"). The financial statements are presented in New Zealand dollars, which is the Company's presentation currency.

Until 31 July 2008 the Group and its subsidiaries used New Zealand dollars as its functional and presentation currency. Following a review of the underlying transactions, events and conditions throughout the group undertaken in accordance with NZ IAS21 (Accounting for the effect of changes in foreign exchange rates) it was identified that the primary environment in which the subsidiaries operate best reflects the economic substance of the underlying events and circumstances relevant to those subsidiaries given the growth in recent years of those markets.

The Group changed the functional currency of its subsidiaries effective from 1 August 2008. As this is not a change in accounting policy, there is no restatement of the prior period balances and transactions.

Transactions and balances

Transactions denominated in a foreign currency are converted to New Zealand dollars at the exchange rates in effect at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 JANUARY 2009 cont.

3. Segment Information

	6 months 31 January 2009 Unaudited	6 months 31 January 2008 Unaudited	12 months 31 July 2008 Audited
	\$000	\$000	\$000
Assets			
Australia Retail	70,786	67,581	77,369
New Zealand Retail	22,816	20,497	29,334
United Kingdom Retail	49,093	51,720	48,409
United States Retail	48,325	48,848	42,082
Wholesale and Direct	22,656	15,853	20,201
Unallocated and other	40,667	35,899	35,552
Consolidated	254,343	240,398	252,947
Revenue			
Australia Retail	97,382	98,729	198,452
New Zealand Retail	31,865	33,345	65,633
United Kingdom Retail	32,359	34,316	59,369
United States Retail	21,700	15,083	27,310
Wholesale and Direct	27,785	23,357	59,380
Unallocated and other	-	-	266
Consolidated	211,091	204,830	410,410
Result			
Australia Retail	19,479	20,599	41,031
New Zealand Retail	6,086	6,903	12,586
United Kingdom Retail	(1,114)	149	(2,621)
United States Retail	(6,169)	(2,472)	(9,180)
Wholesale and Direct	7,781	6,054	15,541
Interest	(3,424)	(2,931)	(7,529)
Unallocated and other	(8,523)	(12,059)	(21,967)
Consolidated	14,116	16,243	27,861

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 JANUARY 2009 cont.

4. Expenses by nature

	Half Year Ended 31 January 2009 Unaudited	Half Year Ended 31 January 2008 Unaudited
	\$000	\$000
Depreciation	7,681	7,838
Amortisation of intangible assets	822	870
Loss on disposal of property, plant and equipment	-	-
Employee benefit expenses	42,101	42,359
Rental and operating lease expenses	35,073	29,740
Bad debts written off	1	23

5. Interest bearing liabilities

Bank facility

The bank loans are provided under the terms of an ANZ National Bank Limited Revolving Advances Facility Agreement dated 5 June 2008. The bank facilities outlined in this agreement expire in December 2010.

The Company draws down on its bank facility as required via short-term loans which are required to be disclosed under current liabilities for external financial reporting purposes.

6. Property, plant and equipment

Acquisitions and disposals

During the six months ended 31 January 2009, the Group acquired assets with a total cost of \$8.1 million (31 January 2008: \$19.7 million).

No assets were disposed of during the six months ended 31 January 2009 (31 January 2008: \$nil).

7. 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 and provided on commercial terms.

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

- The Group paid rent of \$36,500 (2008: \$32,530) 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 Shopfitters during the year of \$1,390,449 (2008: \$3,587,624). Espies Shopfitters is 48.75% 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 31 JANUARY 2009 cont.

Related Party Transactions (continued)

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

	Half year ended 31 January 2009 Unaudited		Half year ended 31 January 2008 Unaudited	
	Directors' Fees	Dividends	Directors' Fees	Dividends
	\$000	\$000	\$000	\$000
Executive Directors	-	397	-	508
Non Executive Directors	123	410	123	504

8. Capital Expenditure Commitments

The Group has commitments for future capital expenditure not provided for in the condensed consolidated financial information as at 31 January 2009 of \$2.3 million (31 January 2008: \$10.9 million).

9. Operating Lease Commitments

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

	Half Year Ended 31 January 2009 Unaudited	Half Year Ended 31 January 2008 Unaudited
	\$000	\$000
Total non-cancellable operating leases for the Group	259,116	222,181

10. Contingencies

As at 31 January 2009 the parent entity and Group had no contingent liabilities or assets. (2008: \$nil)

DIRECTORY

Directors

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

Senior Management

Chris Cardwell – GM Property
Neil Cowie – Chief Operating Officer
Bronny Jacobsen – GM Merchandise
Kate Tattersfield – GM Marketing
Zarina Thesing – GM Information Technology
Rhonda Venning – GM Merchandise Planning
Bruce Walkley – GM Direct Business
Matthew Washington – Chief Financial Officer

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LIFE & SOUL

