Pumpkin Patch Limited

Macquarie Securities

May 2007

Pumpkin Patch – 2007

Analysts consensus - year to 31 July 2007:

• Turnover	$370m
• EBITDA	$63m
• NPAT	$31m

As at January 2007

• Total Assets	$161m
• Shareholders Funds	$105m

Currently:

• Market capitalisation (approx)	$725m
• Shareholders (approx, including 850 employees)	5,600

- 3,100 employees across 4 countries
- 195 stores (AU 99, NZ 51, UK 29, US 16)
- Wholesale customers in 16 international markets with product sold through 335 doors

Pumpkin Patch – Brief History

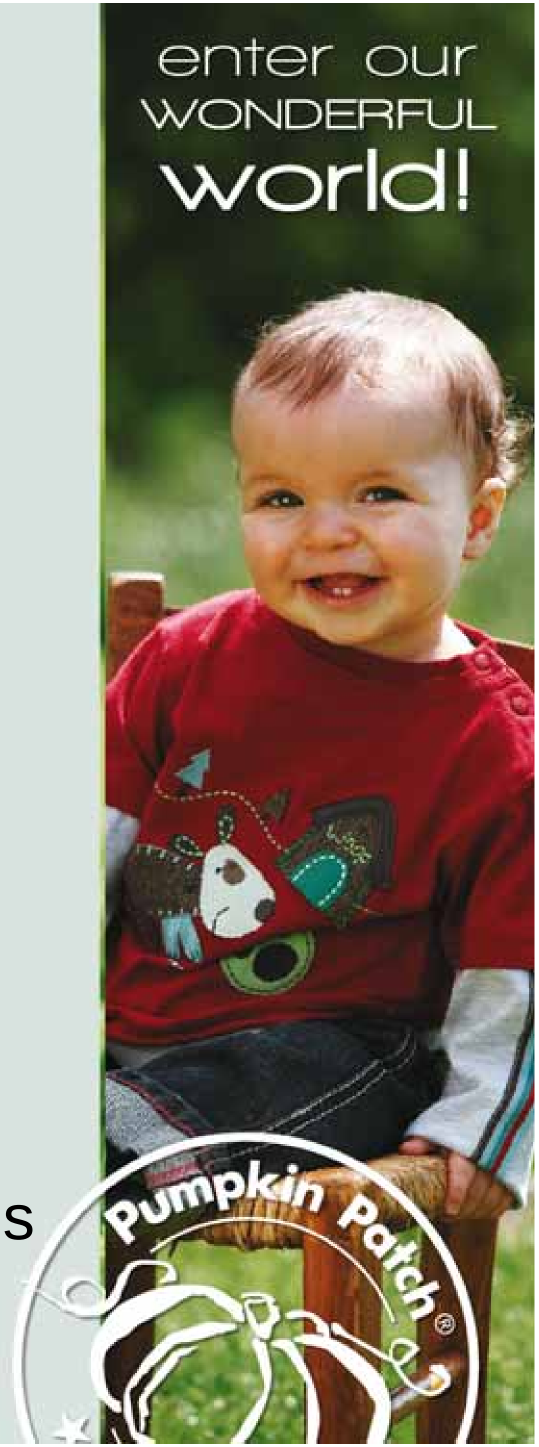
- Founded in 1990
- NZ retail plus mail order/ catalogue business (NZ and Australia)
- 1996 - entered Australian retail market
- Experienced rapid growth in NZ & Australia
- 1999 - institutional equity introduced
- 2000 - entered UK retail market
- 2002 - international wholesale business started
- 2004 - listed on the NZX – opened our 100th store
- 2005 - entered US retail market
- 2007 - will open our 200th store

Key Investment Themes

- Australasia's leading specialty childrenswear brand
- History of growing shareholder value through the successful entry to new and diverse global markets
- Scalability of the Pumpkin Patch model
- Provides investors exposure to global retail markets:
  - Extensive network of 195 company owned retail stores across 4 markets
  - Wholesale relationships in 16 diverse markets
- Geographically spread income streams – over 80% of revenue from markets outside of NZ
- New market opportunities for future years
- Strong Balance Sheet and cash flows

Brand vs. Retailer

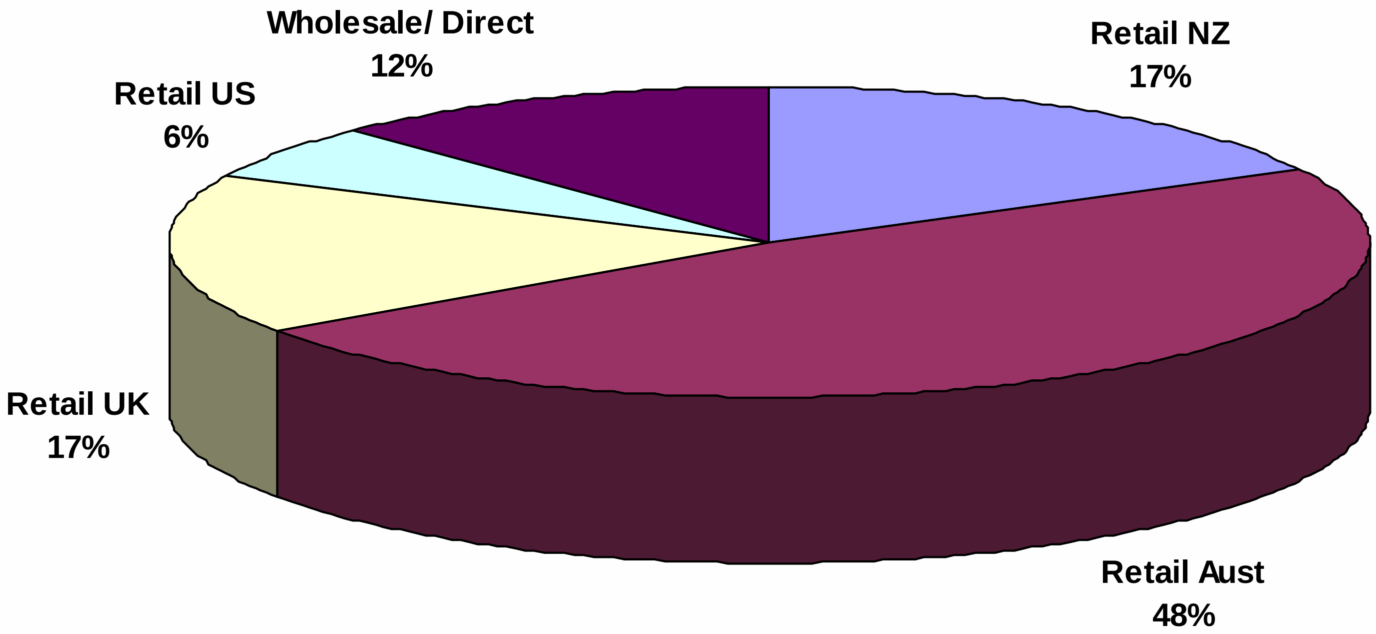
- Brand focus of the Pumpkin Patch package
  - Style creation
  - Product quality
  - In-store merchandising
  - Shopfit to reflect brand image
  - Consistent message to customers
- Brands retain ownership of intellectual property
- Brands travel borders
- Brands have price premium and elasticity
- Brands have a margin focus rather than sales volume focus



Global brands – big opportunities

	Turnover (Approx NZ$)
Gap	$22.9bn
Next	$8.7bn
Zara	$8.4bn
Mango	$4.2bn
Billabong	$1.3bn
Pumpkin Patch	$0.4bn

Multi market sales model



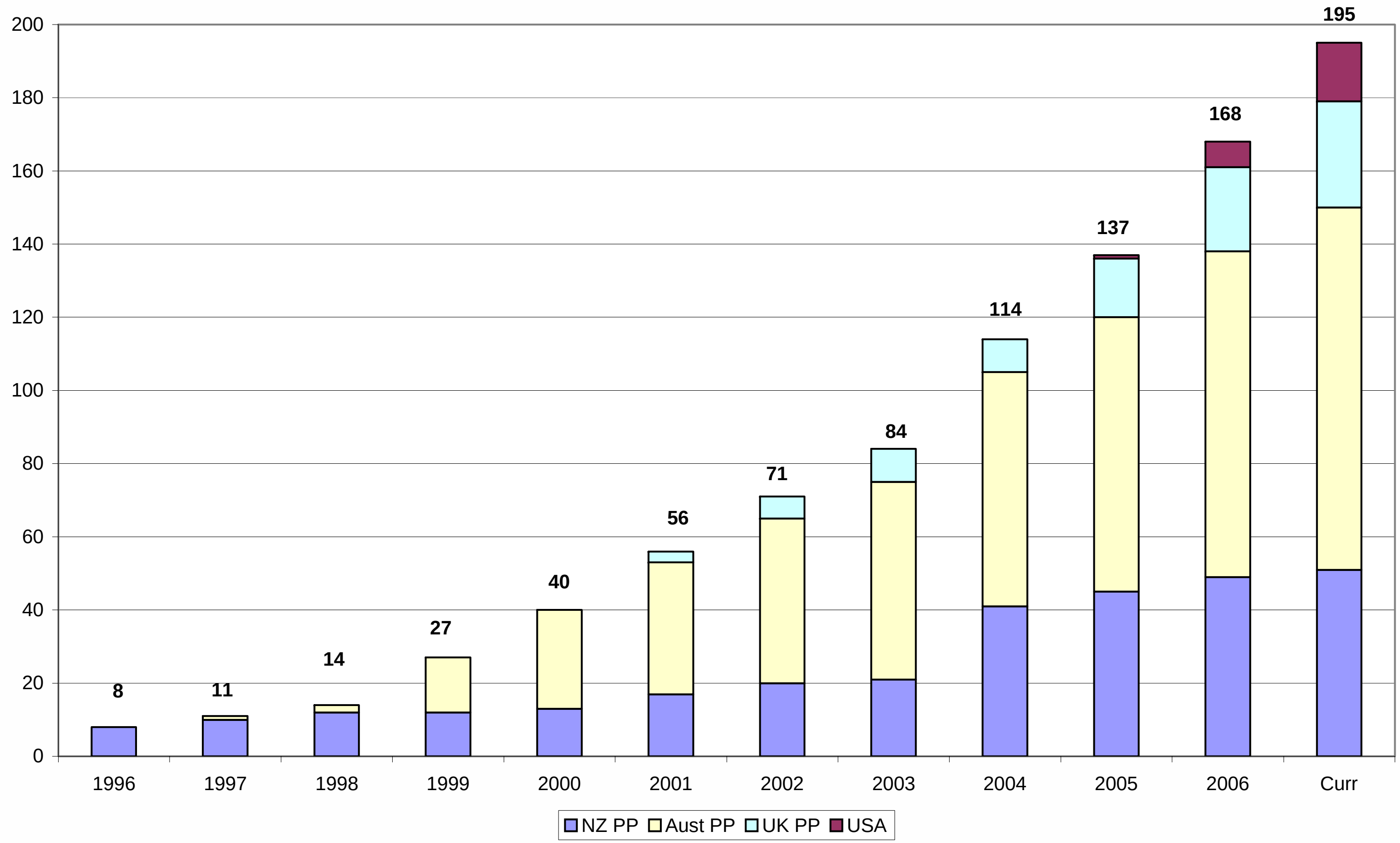
Multi channel sales model

- Retail - company owned stores
- Wholesale partnerships
- Direct - internet and mail order

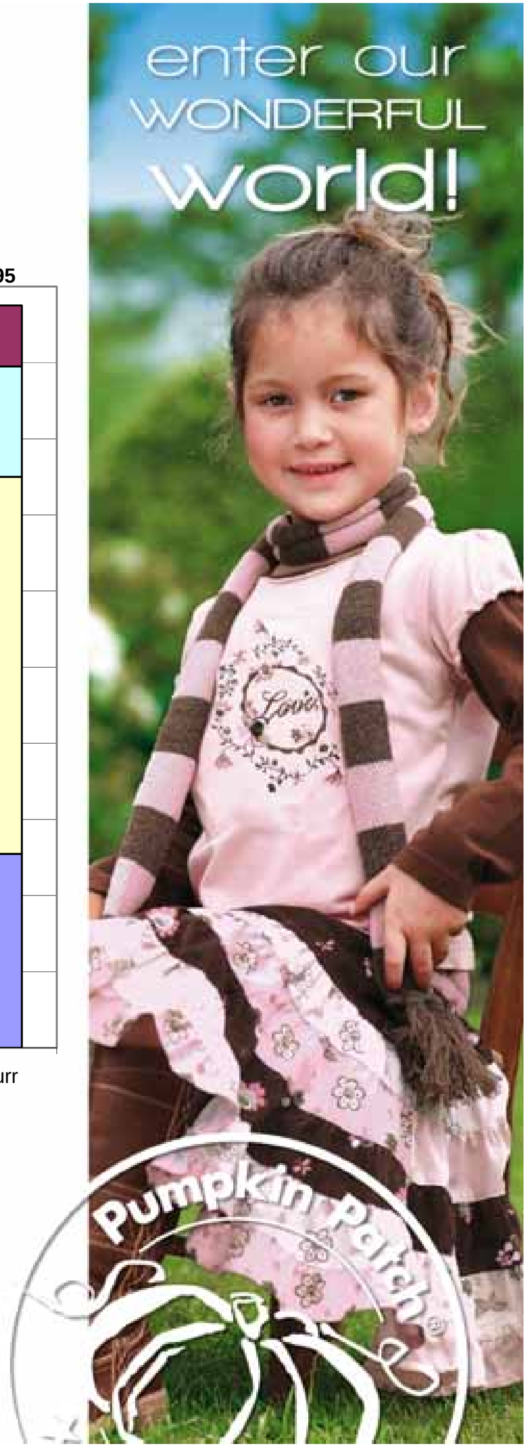
Pumpkin Patch - Retail

- 195 company owned stores across 4 markets
  - Australia 99
  - New Zealand 51
  - United Kingdom 29
  - United States 16
- Stores are typically between $250m^2$ and $350m^2$
- Create a warm and friendly ‘designer store’ atmosphere
- Customer service paramount
- Potential for growth in all markets

Store Numbers – 200 by year end



- Mix of store openings moving towards UK and US



Australia Retail

- Hold a dominant position in specialty childrenswear
- Majority of volume is through value players/ department stores
- Strong brand awareness in the market
- Generates approx 48% of revenue and 53% of store level EBIT
- Store numbers:
  - Current: 99 (Pumpkin Patch 87, Outlet 11, Urban Angel 1)
  - Expected at year end: 102
  - Rate of new store openings slowing as focus being directed to the developing retail markets (UK/ US)
  - Expected growth: 5 stores per year for next 5 years

New Zealand Retail

- Leader at the specialty end of the market
- Majority of volume is through value players/ department stores
- Very strong brand awareness – “household name”
- Generates approx 17% of revenue and 19% of store level EBIT
- Store numbers:
  - Current: 51 (Pumpkin Patch 32, Outlet 8, Urban Angel 11)
  - Expected at year end: 51
  - Expected growth: 1-2 stores per year for next 4-5 years

United Kingdom Retail

- A competitive market with a small number of large specialty players e.g. Next, Gap
  - More traditional customer – takes longer to try new brands
- Generates approx 17% of revenue and 7% of store level EBIT
  - Country development overheads and store opening costs currently a drag on store EBIT
  - Future EBIT% expected to be lower than AU/ NZ markets due to high occupancy costs
  - Quota costs impacting EBIT
- Store numbers:
  - Current: 29 (Pumpkin Patch 28, Outlet 1)
  - Expected at year end: 30
  - Stores sites harder to obtain – fragmented leasing market

United States Retail

- A competitive market with a number of large established specialty players – Gymboree, Gap, The Childrens Place
  - However customers are willing to try new brands
- Market development/ testing phase
  - Country development overheads and store opening costs currently a drag on store EBIT
  - No economies of scale from small store base
  - Future EBIT% expected to be lower than AU/ NZ markets due to higher occupancy costs
  - Quota costs impacting EBIT
- Store numbers:
  - Current: 16 (CA 12, WA 2, OR 1, TX 1)
  - Expected at year end: 19
  - Testing new states – Arizona/ Texas

Pumpkin Patch - Wholesale

- Why?
  - Allows faster global expansion – currently 335 doors
  - Suits markets with barriers to entry – legal, ownership, language, cultural etc
  - Enhances brand in markets with existing PP retail stores e.g. David Jones in Australia
  - Introduces brand to markets with no PP presence e.g. Jawad in the Middle East
  - Lower risk testing of PP product and brand e.g. via US wholesale relationships before PP retail entry
- Two formats
  - Stand alone stores (franchise type model)
  - Key department stores

Wholesale – global relationships

- Presence in 16 markets globally
- Middle East
  - 37 stand alone stores (average 160m²) across 7 countries
  - Partner = Jawad Group
- United States
  - 245 doors with 4 partners
  - Premium Branded department stores i.e. Nordstrom, Bloomingdales
- Australia
  - 22 doors with David Jones
  - Brand enhancing relationship

Wholesale – global relationships

- United Kingdom
  - 10 doors with House of Fraser
  - Exposure to prime retail locations e.g. Oxford Street
- Asia
  - Malaysia (5 stand alone stores), Singapore (3 stand alone stores), Korea (3 doors), Indonesia (3 doors), Pakistan (2 stand alone stores)
  - Trials in India (with Jawad Group) by end of 2007 financial year
- South Africa
  - 5 stand alone stores
- Other
  - Researching possible European markets for future years

Pumpkin Patch – Direct (internet/ mail order)

- Major part of overall marketing strategy
- Significant database of customers
  - AU approx 640,000 customers
  - NZ approx 230,000 customers
  - UK approx 270,000 customers
- Amongst the most visited websites in Australasia
- Reaches customers with no store access
- Low cost alternative to retail stores
- Very profitable business unit - leverages off existing systems/ processes (e.g. supply chain) i.e. little additional investment required

Logistics/ Supply Chain

- 13,500m^2 global distribution centre in Auckland, with room for expansion if needed
- Capacity to process/ distribute 200,000 units per day vs. current output of approx 80,000 units per day
- Supplemented by third party facilities in Australia, United Kingdom, United States, and China
- Daily distribution to retail stores, wholesale and direct customers across all markets
- Increasing level of direct shipping from China
- Flexible supply chain structure – quick to adapt to changing conditions
- Easily transferable technology


Pumpkin Patch Limited
half year result
january 2007
Pumpkin Patch®

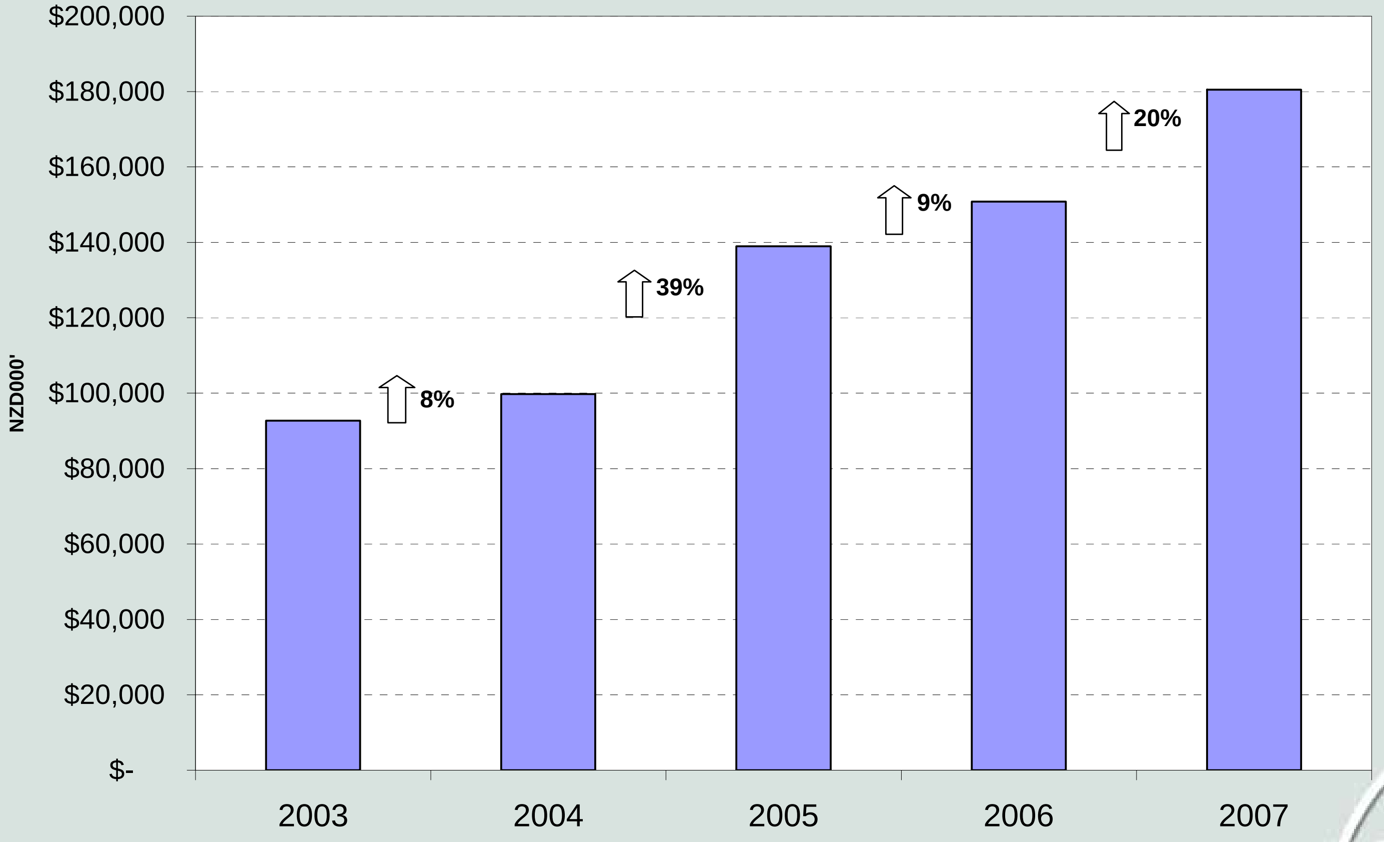
Financial Highlights
Statement of Financial Performance

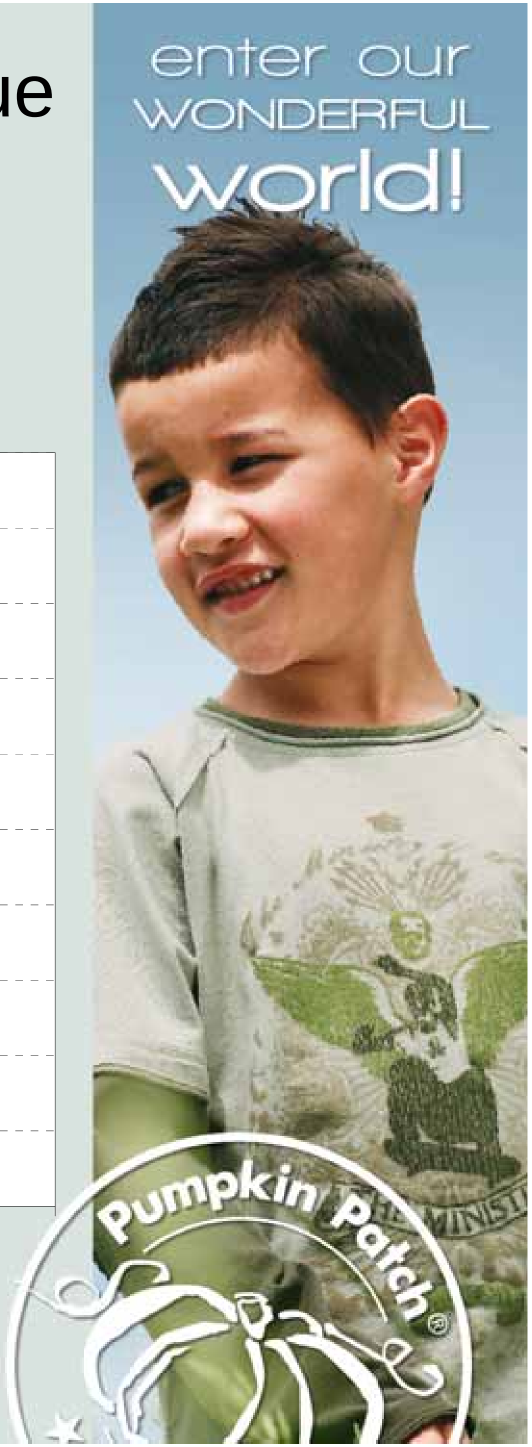
	Jan 2007 (6 mths)	Jan 2006 (6 mths)	%
Operating Revenue	180,574	151,039	19.6%
EBITDA	30,506	26,397	15.6%
	16.9%	17.5%	
EBIT	23,774	21,579	10.2%
	13.2%	14.3%	
Net Profit After Tax	15,507	14,572	6.4%
	8.6%	9.7%	
Earnings (CPS)	9.31	8.75	
Fixed charge cover	1.78	2.11	

Financial Highlights
Impact of Quota

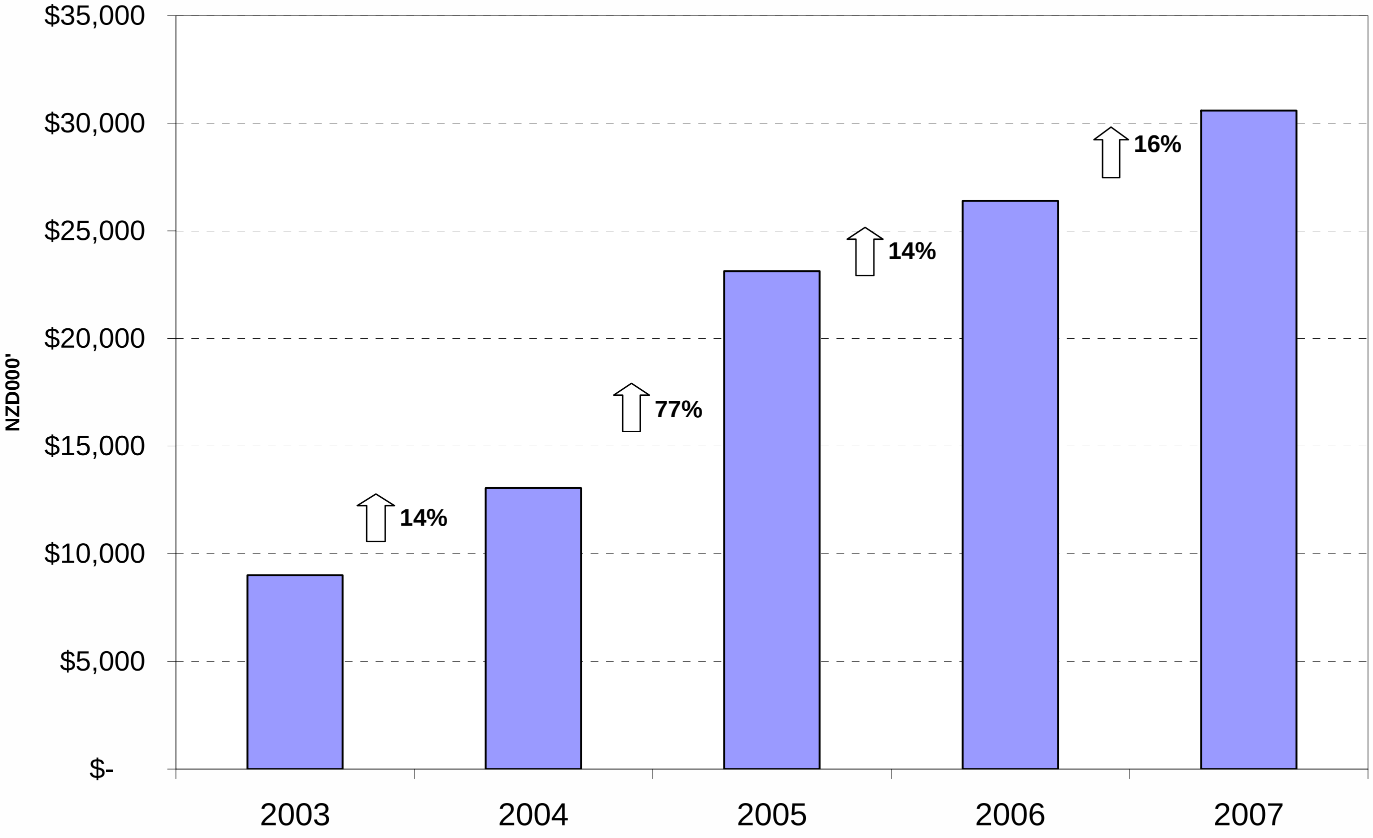
	Jan 2007 (6 mths)	Jan 2006 (6 mths)	%
Quota costs	2,175	729	
EBITDA (before quota)	32,681 18.1%	27,126 18.0%	20.5%
EBIT (before quota)	25,949 14.4%	22,308 14.8%	16.3%
Net Profit After Tax (before quota)	16,965 9.4%	15,060 9.9%	12.6%

Since 2003 Half Year Operating Revenue has grown at a 14% compound average growth rate





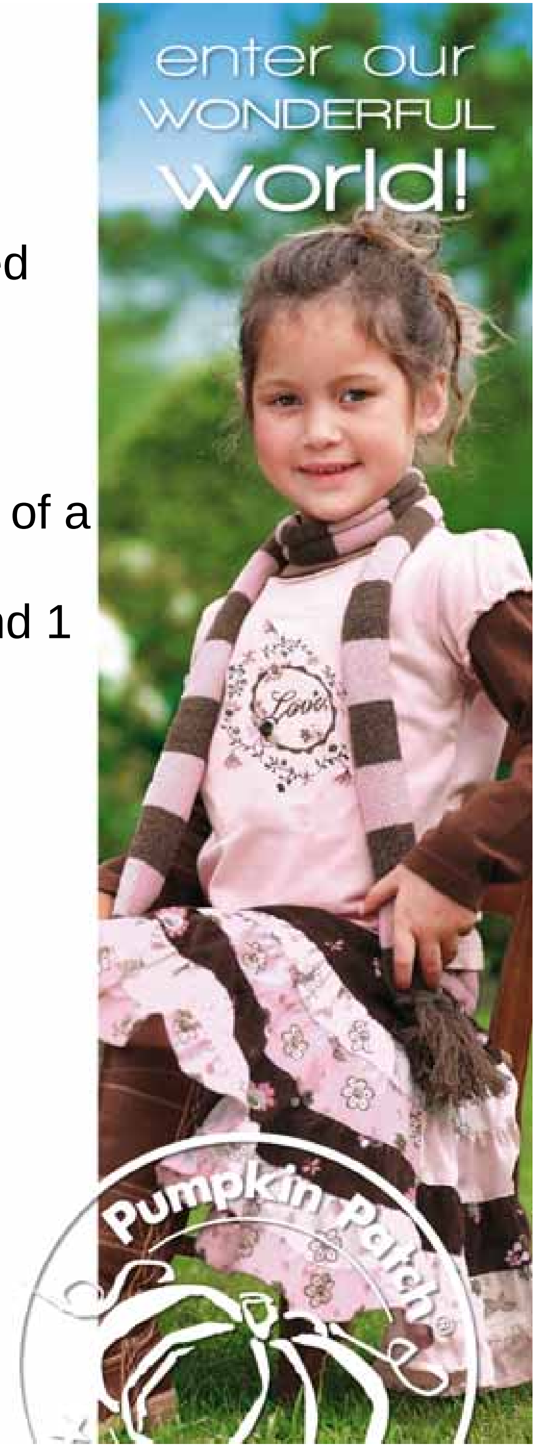
Since 2003 Half Year EBITDA has grown at a compound average growth rate of 28%



2H07 Update - Retail

- **Australia**
  - Difficult trading conditions continuing but have stabilised
  - NZD/ AUD staying higher for longer than expected
  - Opened 10 stores YTD (Total planned FY07: 13)
- **New Zealand**
  - Fickle trading conditions continuing but there are signs of a minor improvement
  - Opened 5 stores YTD (Total planned FY07: 5, 2 UA and 1 PP store mergers)
- **United Kingdom**
  - Opened 6 stores YTD (Total planned FY07: 7)
  - Identify and secure sites for 2008
  - Overtaken NZ to become 2nd largest retail market
  - NZD/ GBP staying higher for longer than expected
- **United States**
  - Opened 9 stores YTD (Total planned FY07: 12) including stores in Texas and Arizona
  - Still in trial/ test mode
  - Identify sites for 2008, including testing of new states

Total expected store openings for FY07: 37 (FY06: 32)



2H07 Update – Wholesale

- **United States**
  - Continue to grow Nordstrom relationship
- **Middle East**
  - Currently 37 stores – Jawad planning for 40 by end of financial year
- **Australia**
  - Continue brand alignment with David Jones
- **United Kingdom**
  - Expecting continued growth and increased exposure to prime retail locations with House of Fraser
- **Other**
  - South Africa and Asia partnerships to be bedded in
  - Development offices in Singapore and the UK have opened
  - Trial shipments to India by year end
  - Investigating other opportunities (e.g. Europe) for 2008 and beyond


Pumpkin Patch®