

Macquarie Conference

Sydney May 2010



Pumpkin Patch – 2010

Analysts consensus - year to 31 July 2010:

- Turnover \$403m
- EBITDA \$53m
- NPAT \$27m

As at January 2010

- Total Assets \$159m
- Shareholders Funds \$85m

Currently:

- Market capitalisation (approx) \$380m
- Shareholders (including 600 employees) 6,600
- 3,200 employees across 4 countries
- 226 company owned stores
- Wholesale customers in 20 countries with product sold through 340 doors



Key Investment Themes

- Market leading position in Australia and New Zealand
 - Australasia’s leading specialty childrenswear brand
 - Australasian sales \approx NZ\$265m (analyst consensus FY10)
 - Market share: 8% Australia, 17% New Zealand
- Globally diversified income streams
 - Brand now available in 566 locations across 22 very diverse markets
 - Not reliant on any one market – provides stability in earnings
 - Investors have exposure to growth opportunities in numerous global markets
 - Childrenswear more defensive than adult fashion



Key Investment Themes - cont

- Significant long term growth opportunities in existing and future markets
 - Multi channel model (retail, wholesale, internet)
 - The Pumpkin Patch model is scalable – expansion available in existing and new markets
 - Introduction of new brands
 - Leverage off existing infrastructure – future growth requires lower levels of investment
- Strong financial position
 - Strong Balance Sheet gives capacity to fund future growth initiatives
 - Business generates strong operating cashflows





Key Investment Themes - cont

- Pumpkin Patch – a brand, not a 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 develop and retain their own intellectual property
 - Brands have price premium and elasticity
 - Brands travel across borders – are more global
 - Brands have a focus on gross margin dollar growth rather than sales volume focus



Multi channel sales model

- Retail :
 - Company owned stores
- Wholesale :
 - Franchised stores
 - Department store formats
- Direct:
 - Internet and mail order



Pumpkin Patch - Retail

- 226 company owned stores across 4 markets
 - Australia 115
 - New Zealand 52
 - United Kingdom 39
 - United States 20
- Leading specialty childrenswear brand in Australasia
 - 8% market share in Australia and 17% in New Zealand
 - Very high brand awareness
 - No major changes to competitive environment expected
- Potential for growth in all markets

Wholesale

- Two main formats
 - Stand alone stores (franchise type model)
 - Key department stores
- Benefits of Wholesale
 - Allows faster global expansion
 - Net EBIT margins higher than retail
 - Little additional investment required
 - Leverages off existing infrastructure and capabilities
 - Suits markets with barriers to entry
 - Cultural, language, ownership
 - Dual brand enhances Pumpkin Patch retail
 - e.g. David Jones in Australia



Wholesale – global relationships

- Presence at 340 locations in 20 diverse markets globally
- Middle East
 - 46 stand alone stores
 - Main partner = Jawad Group
- United States
 - 186 doors with 2 partners
 - Premium department stores e.g. Nordstrom
- Australia
 - 33 doors with David Jones
 - Brand enhancing relationship

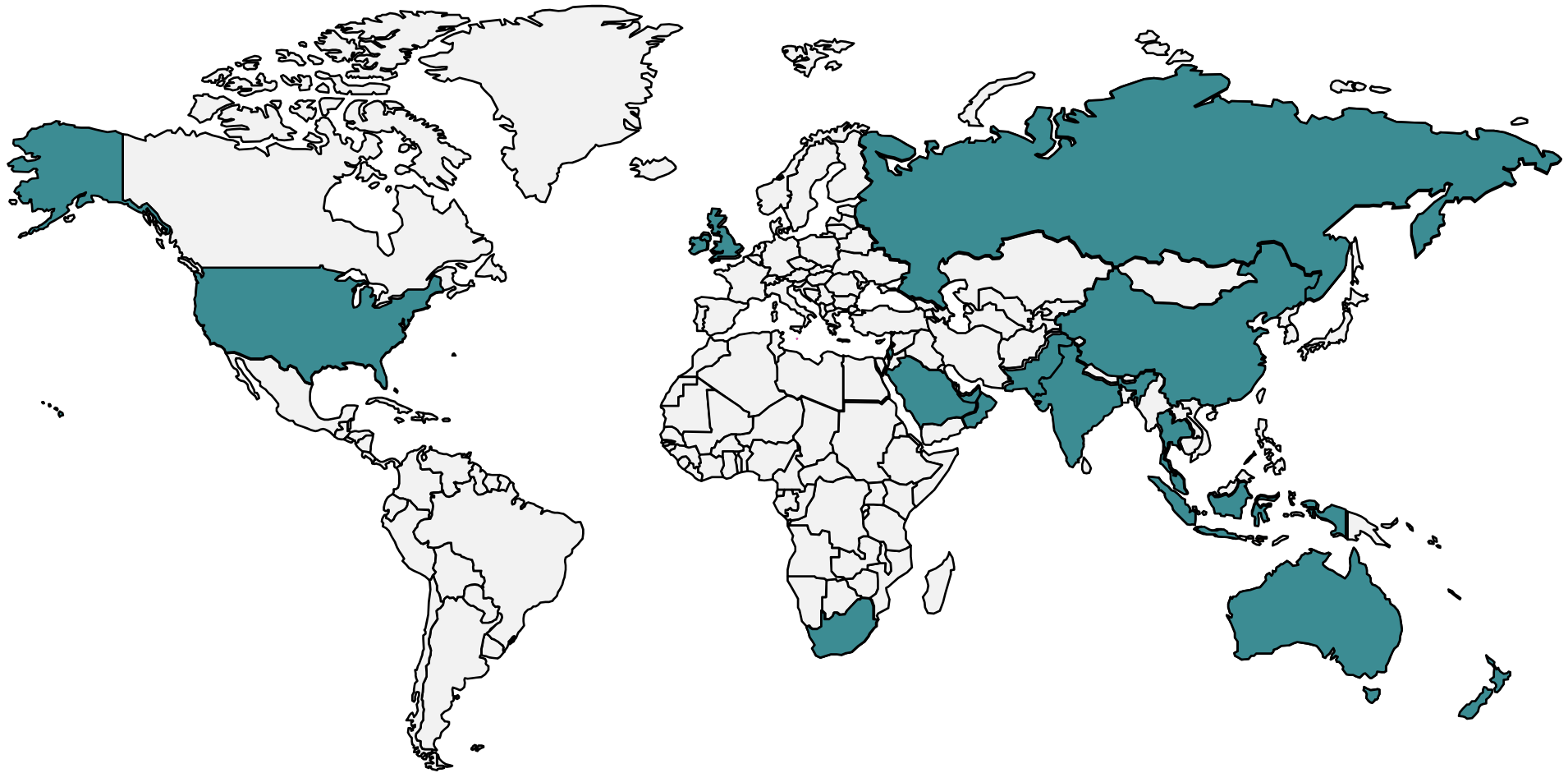




Wholesale – global relationships

- United Kingdom
 - 37 doors with House of Fraser
 - Exposure to prime retail locations
- Asia
 - 26 locations across China, India, Indonesia, Malaysia, Pakistan, Singapore, and Thailand
 - First China store opened in April
- Other
 - Relationships also across other markets such as South Africa and Malta.

Pumpkin Patch – 22 diverse global markets



Countries of operation – 22 markets

Australia	Bahrain	China	India	Indonesia	Ireland
Kuwait	Lebanon	Malaysia	Malta	New Zealand	Oman
Pakistan	Qatar	Russia	Thailand	Saudi Arabia	Singapore
South Africa	UAE	United Kingdom	United States		

Direct – internet and mail order

- Sales websites in 5 markets:
 - Australia, New Zealand, United Kingdom, United States, and Ireland
- Major part of overall marketing strategy
 - Communications with both Retail and Direct customers
 - 1.9m active customers on the database
- Amongst the most visited websites in Australasia
- Reaches customers with no store access
- Very profitable business unit
 - Low cost alternative to retail stores - leverages off existing systems/ processes (e.g. supply chain)
 - Little incremental investment required to support growth





Future Growth Drivers





Retail – Future Growth Drivers

- Expansion of store network in existing markets
 - Australia:
 - Opening 40 stores over next 3 years
 - United Kingdom:
 - Assessing new store opportunities in current soft leasing environment
 - The demise of Adams has improved the general landscape
- Ireland:
 - Expect to open 4 stores this year
 - Taking over ex-Adams locations
 - Minimal store re-branding investment required
 - Lease – 12 month exit clause with right of renewal
- New retail market opportunities exist in medium term



Wholesale – Future Growth Drivers

- Expansion in existing markets
 - Growth opportunities across most markets
 - Early days in China but market offers long term growth opportunities
- Development of new markets
 - Currently investigating a number of new markets across the Middle East and Europe
 - Recent markets opened:
 - China
 - Lebanon
 - Malta





Retail – New Brand

- Targeting ‘playwear’ end of the market
 - Australasian childrenswear market worth \approx \$3bn pa
 - Over 70% of market is focused on ‘playwear’
 - Pumpkin Patch brand does not currently cater for this segment
 - Creates significant long term growth opportunities
- Stand alone brand separate from existing PP stores
- 6 to 8 stores to open across Australasia this year





Retail – New Brand - cont

- The new brand will be launched in Wholesale markets (late 2011)
 - Potential to drive earnings growth via the introduction of the new brand to existing Wholesale markets
 - Replicate the stand alone dual brand strategy being followed across retail markets
- Dual brand model has been successfully followed by other international clothing companies
- Potential driver of long term earnings growth:
 - Leverage off existing infrastructure and expertise
 - Economies of scale benefits

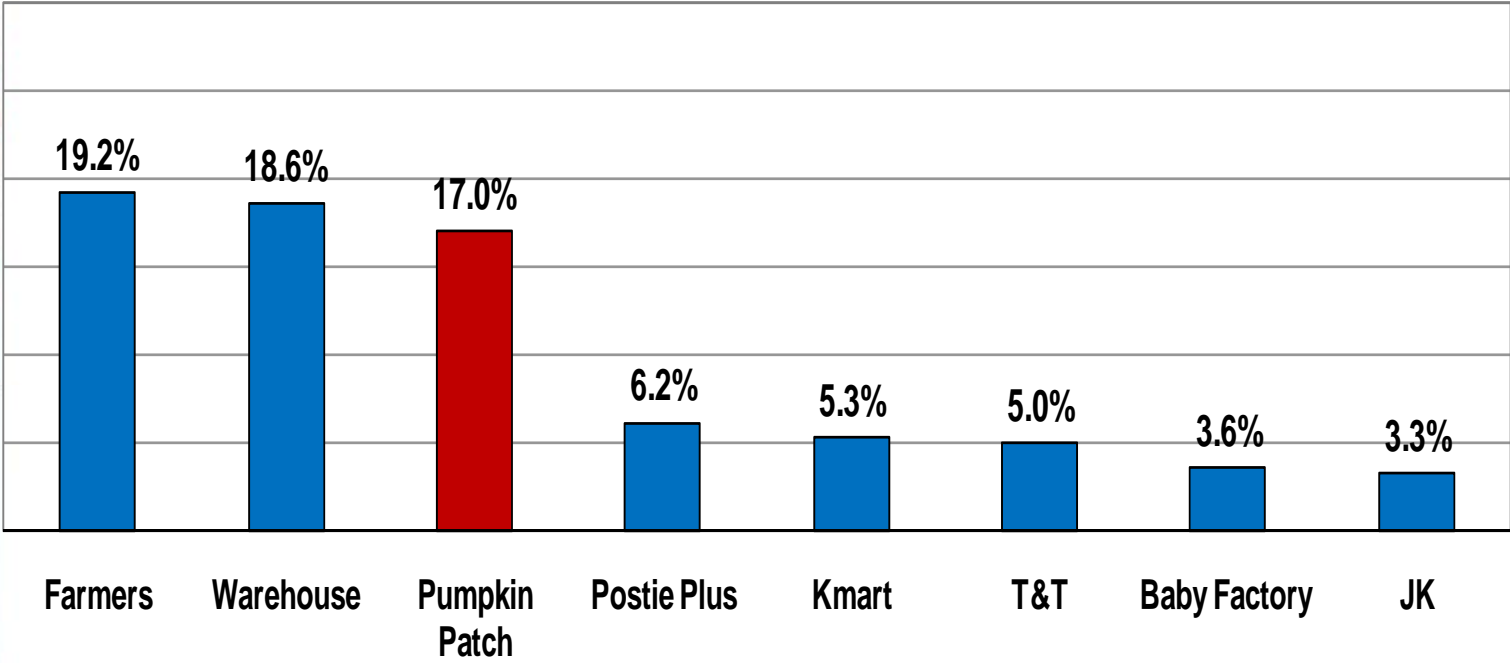


New Zealand - market share

- Pumpkin Patch currently has a 17% share of total childrenswear spend in NZ
 - Pumpkin Patch is the highest ranked speciality childrenswear store
 - Pumpkin Patch is ranked 3rd for share of expenditure
 - Rest is dominated by discounters and value retailers
- Discounters and value retailers make up over 65% of the market share.
 - The rest of the value/discount group is made up of other retailers including supermarkets and clearance outlets with limited market share

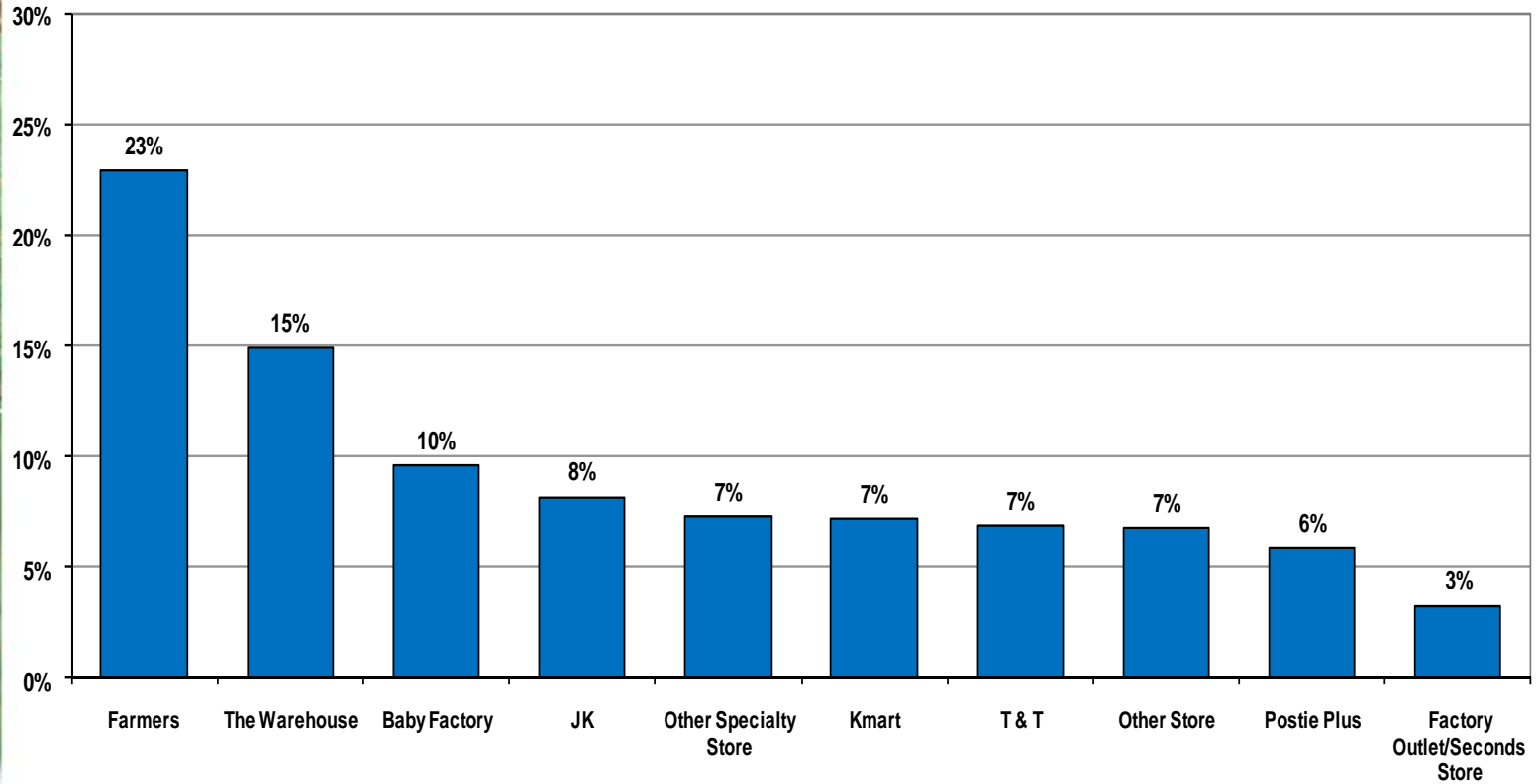


New Zealand – market share - cont



Pumpkin Patch is the highest ranked specialty childrenswear store.

Where else are Pumpkin Patch customers shopping in New Zealand?



Pumpkin Patch customers also buy from discount or bargain retailers.

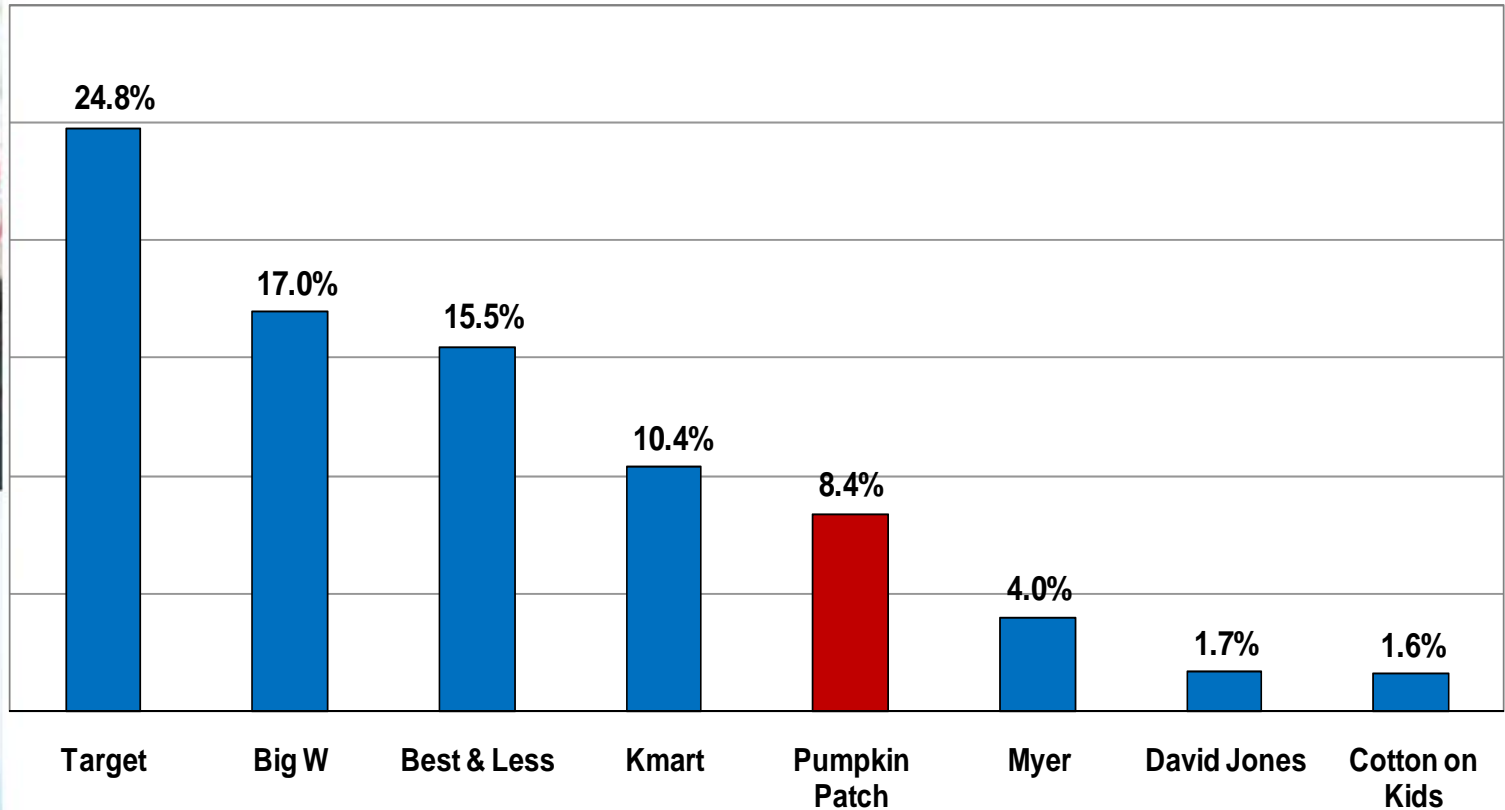
Australia - market share

- Market share for Pumpkin Patch is currently at 8.4%
 - Total market valued \approx \$2.4bn
 - Pumpkin Patch is the leading children's wear specialist retailer
 - Pumpkin Patch is ranked 5th for share of expenditure
- Discount Department Stores (DDS) make up nearly 70% of the market.





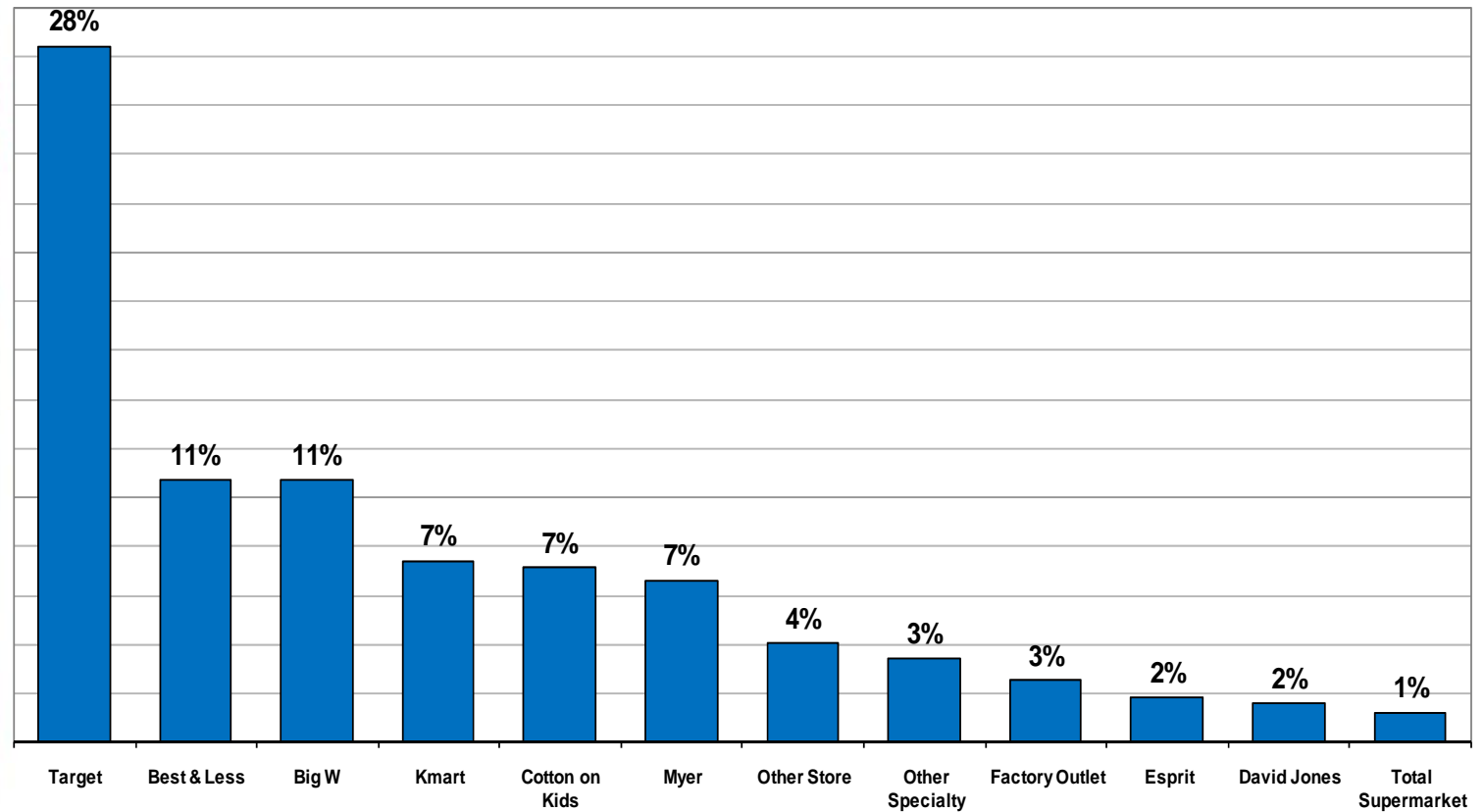
Australia - market share - cont



Pumpkin Patch is the highest ranked specialty childrenswear store.



Where else are Pumpkin Patch customers shopping in Australia?



Pumpkin Patch customers also buy childrenswear from discount or bargain retailers.

Price Point comparison - Australia



High Price point

- David Jones
- Boutiques
- Country Road

Pumpkin Patch



- Esprit
- Myers
- JK

Make up 70%
market share

Target
Kmart
Big W



Best & Less



- Cotton On

Low Price point

Summary

- Great brand
- Strong Balance Sheet
- Significant growth opportunities
- Diversified markets
- No other apparel company offers this investment story



