



Securities Act (Pumpkin Patch Limited) Exemption Notice 2004

Pursuant to the Securities Act 1978, the Securities Commission gives the following notice (to which is appended a statement of reasons of the Securities Commission).

Contents

1	Title	10	Condition of exemption in clause 9
2	Commencement	11	Exemption from clause 10(1)(c) of First Schedule of Regulations
3	Expiry	12	Conditions of exemption in clause 11
4	Interpretation	13	Exemption from clause 13(a)(iii) of First Schedule of Regulations
5	Exemption from regulation 12(1)(a) of Regulations	14	Condition of exemption in clause 13
6	Conditions of exemption in clause 5		
7	Exemption from clause 1(4) of First Schedule of Regulations		
8	Condition of exemption in clause 7		
9	Exemption from clause 8(5) of First Schedule of Regulations		

Notice

- 1 Title**
This notice is the Securities Act (Pumpkin Patch Limited) Exemption Notice 2004.
- 2 Commencement**
This notice comes into force on the day after the date of its notification in the *Gazette*.
- 3 Expiry**
This notice expires on the close of 31 October 2004.
- 4 Interpretation**
(1) In this notice, unless the context otherwise requires,—

Act means the Securities Act 1978

investment statement means the investment statement for the PPL offer

PPL means Pumpkin Patch Limited

PPL offer means a proposed offer by PPL that is, or will be, dated on or about 14 May 2004 comprising—

- (a) an offer by PPL of new shares in PPL; and
- (b) an offer by PPL of options to acquire shares in PPL

prospectus means the prospectus in relation to the PPL offer that is, or will be, registered on or about 14 May 2004

Regulations means the Securities Regulations 1983

specified securities means the shares and options that will be offered under the PPL offer.

- (2) Any term or expression that is defined in the Act or the Regulations and used, but not defined, in this notice has the same meaning as in the Act or the Regulations.

5 Exemption from regulation 12(1)(a) of Regulations

PPL and every person acting on its behalf is exempted from regulation 12(1)(a) of the Regulations in respect of the investment statement for the specified securities.

6 Conditions of exemption in clause 5

The exemption in clause 5 is subject to the conditions that,—

- (a) if the investment statement for the specified securities contains any historical financial information, it states the amount of total assets, net assets, and total liabilities of the issuing group; and
- (b) those amounts and any other amounts shown in the financial information are—
 - (i) taken from the audited consolidated statement of financial position of the issuing group dated 31 January 2004; and
 - (ii) contained in the prospectus.

7 Exemption from clause 1(4) of First Schedule of Regulations

PPL and every person acting on its behalf is exempted from clause 1(4) of the First Schedule of the Regulations in respect of the specified securities.

8 Condition of exemption in clause 7

The exemption in clause 7 is subject to the condition that the prospectus—

- (a) describes the procedure for fixing the subscription price for the specified securities; and
- (b) describes the factors that may be taken into account in fixing the subscription price for the specified securities; and
- (c) states when the subscription price for the specified securities is expected to be fixed; and
- (d) describes how the specified securities will be allocated; and
- (e) states the indicative price range of the specified securities; and
- (f) states whether PPL reserves the right to fix a subscription price outside the indicative price range; and
- (g) states how an investor may ascertain the subscription price for the specified securities after that price is fixed; and
- (h) describes the procedures for holding money paid to subscribe for the specified securities by, or on behalf of, PPL; and
- (i) describes how over-subscriptions will be treated and the procedure for making refunds; and
- (j) states, in terms permitted by regulation 23 of the Regulations, that an application has been made to New Zealand Exchange Limited for permission to quote the shares in PPL.

9 Exemption from clause 8(5) of First Schedule of Regulations

PPL and every person acting on its behalf is exempted from clause 8(5) of the First Schedule of the Regulations in respect of the specified securities.

10 Condition of exemption in clause 9

The exemption in clause 9 is subject to the condition that the prospectus contains the information required by clause 8(5) of the First Schedule of the Regulations, calculated as if the number of specified securities on which the assumptions are based are calculated by reference to the maximum number of specified securities that would be allotted if the subscription price of the specified securities was fixed at the high point, at the mid-point, and at the low point of the indicative price range stated in the prospectus.

11 Exemption from clause 10(1)(c) of First Schedule of Regulations

PPL and every person acting on its behalf is exempted from clause 10(1)(c) of the First Schedule of the Regulations in respect of the specified securities.

12 Conditions of exemption in clause 11

The exemption in clause 11 is subject to the conditions that—

- (a) the prospectus contains a prospective statement of cash flows for PPL and its subsidiaries in respect of each of the following periods:
 - (i) the period of 12 months beginning on 1 August 2003 and ending on the close of 31 July 2004; and
 - (ii) the period of 12 months beginning on 1 August 2004 and ending on the close of 31 July 2005; and
- (b) the prospective statements of cash flows comply with clause 10(2) of the First Schedule of the Regulations.

13 Exemption from clause 13(a)(iii) of First Schedule of Regulations

PPL and every person acting on its behalf is exempted from clause 13(a)(iii) of the First Schedule of the Regulations in respect of the specified securities that are options.

14 Condition of exemption in clause 13

The exemption in clause 13 is subject to the condition that the prospectus contains a description of the mechanism for fixing the exercise price of the options.

Dated at Wellington this 4th day of May 2004.

The Common Seal of the Securities Commission was affixed in the presence of:

[L.S.]

J. Diplock,
Chairperson.

Statement of reasons

This notice, which comes into force on the day after the date of its notification in the *Gazette* and expires on 31 October 2004, exempts Pumpkin Patch Limited (**PPL**), subject to conditions, from regulation 12(1)(a) of the Securities Regulations 1983 (the **Regulations**), and from clauses 1(4), 8(5), 10(1)(c), and 13(a)(iii) of the First Schedule of the Regulations (the **First Schedule**), in relation to the offer of shares and options to acquire shares in PPL.

The Securities Commission considers that it is appropriate to grant the exemptions because—

- the exemption from regulation 12(1)(a) of the Regulations permits extra information about the assets of the issuing group to be included in the investment statement, while still requiring the investment statement to set out the amounts of the total assets, net assets, and total liabilities of the issuing group, which is consistent with the policy of regulation 12(1)(a). The registered prospectus must also contain this information:
- as the price of the shares will be determined by a book building process, this price and the total number of shares to be allotted will not be known at the date of the registered prospectus. This means that PPL will not be able to comply with clauses 1(4), 8(5), and 13(a)(iii) of the First Schedule. The exemption is necessary for the offer to proceed. The

conditions of the exemption require PPL to provide alternative information to potential investors about the pricing mechanisms for the shares and options:

- the exemption from clause 10(1)(c) of the First Schedule allows the prospective financial information to be aligned to the normal accounting periods of the issuer. This will provide more useful and more easily comparable information for potential investors.

Issued under the authority of the Acts and Regulations Publication Act 1989.

Date of notification in *Gazette*: 6 May 2004.

This notice is administered by the Securities Commission.
