

## Notes to Financial Statements - Retirement Plans

Retirement Plans	12 Months Ended		
Retirement Plans [Abstract]	Sep. 30, 2012		
RETIREMENT PLANS			
<b>18. RETIREMENT PLANS</b>			
<p>On March 2, 2007, the Company entered into Supplemental Executive Retirement Agreements (the "SERP Agreement(s)") with Mr. and Ms. Matthias (the "SERP Executives"). The purpose of the SERP Agreements was to provide the executives with supplemental pension benefits following their cessation of employment.</p> <p>The Company's D. Matthias Transition Agreement, entered into in September 2008 in connection with Mr. Matthias' retirement as CEO, amended his SERP Agreement to provide for full vesting of the benefits payable to Mr. Matthias and to increase the total of the amounts payable under the SERP Agreement to approximately 10% more than the amount that would have been payable on September 30, 2012 (the date the SERP Agreement had otherwise been expected to fully vest). The SERP Agreement benefits, totaling \$3,960,000, were being paid to Mr. Matthias in installments, which commenced on April 1, 2009, with the final installment paid on October 1, 2012. The Company paid SERP benefits to Mr. Matthias totaling \$600,000, \$750,000 and \$900,000 in fiscal 2012, 2011 and 2010, respectively.</p> <p>The amount of the benefit payable under Ms. Matthias' SERP Agreement was the actuarial present value of a single life annuity equal to 60% of Ms. Matthias' "deemed final pay," commencing upon cessation of employment. For this purpose, "deemed final pay" meant Ms. Matthias' base salary on March 2, 2007, increased by 3% for each new fiscal year that began before Ms. Matthias' cessation of employment. This benefit vested 33 1/3 % on March 2, 2007. On each September 30 thereafter for fiscal 2007, 2008 and 2009 the benefit vested 15% annually based on Ms. Matthias' continuous full-time service provided to the Company during each entire fiscal year. The Company's R. Matthias Transition Agreement, entered into on November 6, 2009 in connection with Ms. Matthias' scheduled retirement, amended her SERP Agreement to provide that she would be credited with having served on a full-time basis during the 2010 fiscal year and the SERP vested an additional 15% effective on the Transition Date, to a cumulative total vested percentage of 931/3%. Pursuant to the R. Matthias Transition Agreement, Ms. Matthias received a lump sum payment of the SERP Agreement benefits of \$4,166,000 on December 16, 2010.</p> <p>The Company accounted for the SERP Agreements in accordance with the accounting requirements for defined benefit pension and other post-retirement plans. Changes in the benefit obligation under the SERP Agreements as of September 30 were as follows (in thousands):</p>			
	<u>2012</u>	<u>2011</u>	
Benefit obligation at beginning of year	\$ 732	\$ 5,560	
Interest cost	18	88	
Benefit payments	(600)	(4,916)	
Benefit obligation at end of year	150	732	
Less: current portion included in accrued expenses and other current liabilities	(150)	(600)	
Non-current benefit obligation at end of year	<u>\$ —</u>	<u>\$ 132</u>	
<p>The non-current benefit obligation at end of fiscal 2011 was included in "deferred rent and other non-current liabilities" in the accompanying Consolidated Balance Sheet.</p> <p>The components of net periodic pension cost on a pretax basis were as follows for the years ended September 30 (in thousands):</p>			
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Service cost	\$ —	\$ —	\$ 439
Interest cost	18	88	257
Amortization of prior service cost	—	—	139
Plan amendment and curtailment	—	—	888
Total net periodic benefit cost	<u>\$ 18</u>	<u>\$ 88</u>	<u>\$1,723</u>
<p>The following weighted-average assumptions were used to determine net periodic benefit cost for the years ended September 30, 2012, 2011 and 2010: discount rate – 5.0%; compensation increase rate – 3.0%.</p> <p>Amounts recorded in accumulated other comprehensive loss in fiscal 2010 were as follows (in thousands):</p>			
			<u>2010</u>
Unrecognized prior service cost—beginning of year			\$(589)
Amortization of prior service cost			139

Source: Destination Maternity Corp, XBRL, 12/14/2012 | Powered by Intelligize

Prior service cost recognized for plan amendment and curtailment	450
Unrecognized prior service cost—end of year	<u>\$ —</u>

The Company has a grantor trust, which was established for the purpose of accumulating assets in anticipation of the Company's payment obligations under the SERP Agreements (the "Grantor Trust"). The Company's agreements with the SERP Executives and the trustee for the Grantor Trust (the "Trustee") allowed the Company to make cash deposits to the Grantor Trust, or provide an irrevocable standby letter of credit (the "SERP Letter of Credit") to the Trustee, in lieu of any deposits otherwise required, for funding obligations under the SERP Agreements. In December 2009, in connection with the additional vesting and scheduled payment of SERP Executives' benefits in 2010, the Company made a partial cash contribution to the Grantor Trust of \$1,500,000, with a corresponding reduction of the SERP Letter of Credit to \$4,437,000 as of December 31, 2009. In December 2010, the Company received a distribution of the remaining assets in the Grantor Trust totaling \$1,504,000. The amount withdrawn was used to partially fund the December 2010 lump sum payment of \$4,166,000 of SERP benefits to Ms. Matthias. As of September 30, 2012, the SERP Letter of Credit was \$150,000, which was equal to the remaining SERP benefit paid to Mr. Matthias on October 1, 2012.

**Notes to Financial Statements - Employee Benefit Plans**

Employee Benefit Plans	12 Months Ended
Employee Benefit Plans [Abstract]	Sep. 30, 2012
EMPLOYEE BENEFIT PLANS	<p><b>19. EMPLOYEE BENEFIT PLANS</b></p> <p>The Company has a 401(k) savings plan for all employees who have at least six months of service and are at least 18 years of age. Employees can contribute up to 20% of their annual salary. Employees who meet certain criteria are eligible for a matching contribution from the Company based on a sliding scale. Company matches are made in the first quarter of the succeeding calendar year and vest over a period of approximately six years from each employee's commencement of employment with the Company. Company matching contributions totaling \$39,000 (net of \$100,000 of cumulative plan forfeitures), \$146,000 and \$153,000, were made in fiscal 2012, 2011 and 2010, respectively. In addition, the Company may make discretionary contributions to the plan, which vest over a period of approximately six years from each employee's commencement of employment with the Company. The Company has not made any discretionary contributions.</p>

Notes to Financial Statements - Quarterly Financial Information (Unaudited)

Quarterly Financial Information (Unaudited)	12 Months Ended			
	Sep. 30, 2012			
Quarterly Financial Information Disclosure [Abstract]				
QUARTERLY FINANCIAL INFORMATION (UNAUDITED)	20. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)			
	Quarterly financial results for the years ended September 30, 2012 and 2011 were as follows (in thousands, except per share amounts):			
	<b>Quarter Ended</b>			
<b>Fiscal 2012</b>	<b>9/30/12</b>	<b>6/30/12</b>	<b>3/31/12</b>	<b>12/31/11</b>
Net sales	\$128,487	\$138,847	\$137,792	\$136,350
Gross profit	71,588	75,756	73,761	69,606
Net income	5,189	6,941	4,979	2,263
Net income per share—Basic	0.39	0.53	0.38	0.17
Net income per share—Diluted	0.39	0.52	0.38	0.17
	<b>Quarter Ended</b>			
<b>Fiscal 2011</b>	<b>9/30/11</b>	<b>6/30/11</b>	<b>3/31/11</b>	<b>12/31/10</b>
Net sales	\$129,442	\$146,684	\$133,833	\$135,435
Gross profit	68,840	80,935	74,189	72,933
Net income	2,687	9,460	5,593	5,248
Net income per share—Basic	0.21	0.73	0.44	0.42
Net income per share—Diluted	0.20	0.72	0.43	0.40
	The Company's business, like that of other retailers, is seasonal. The Company's quarterly net sales have historically been highest in its third fiscal quarter, corresponding to the peak Spring selling season. Given the historically higher sales level in its third fiscal quarter and the relatively fixed nature of most of the Company's operating expenses and interest expense, the Company has typically generated a very significant percentage of its full year operating income and net income during its third fiscal quarter.			

Notes to Financial Statements - Segment and Enterprise Wide Disclosures

Segment and Enterprise Wide Disclosures	12 Months Ended																																	
Segment and Enterprise Wide Disclosures [Abstract]	Sep. 30, 2012																																	
SEGMENT AND ENTERPRISE WIDE DISCLOSURES	<p><b>21. SEGMENT AND ENTERPRISE WIDE DISCLOSURES</b></p> <p><i>Operating Segment.</i> For purposes of the disclosure requirements for segments of a business enterprise, the Company has determined that its business is comprised of one operating segment: the design, manufacture and sale of maternity apparel and related accessories. While the Company offers a wide range of products for sale, the substantial portion of its products are initially distributed through the same distribution facilities, many of the Company's products are manufactured at common contract manufacturer production facilities, the Company's products are marketed through a common marketing department, and these products are sold to a similar customer base, consisting of expectant mothers.</p> <p><i>Geographic Information.</i> Information concerning the Company's operations by geographic area is as follows (in thousands):</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2"></th> <th colspan="3" style="text-align: center;">Year Ended September 30,</th> </tr> <tr> <th style="text-align: center;">2012</th> <th style="text-align: center;">2011</th> <th style="text-align: center;">2010</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Net Sales to Unaffiliated Customers</b></td> </tr> <tr> <td>United States</td> <td style="text-align: right;">\$514,779</td> <td style="text-align: right;">\$520,023</td> <td style="text-align: right;">\$505,621</td> </tr> <tr> <td>Foreign</td> <td style="text-align: right;">26,697</td> <td style="text-align: right;">25,371</td> <td style="text-align: right;">25,571</td> </tr> </tbody> </table> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th rowspan="2"></th> <th style="text-align: center;">September 30, 2012</th> <th style="text-align: center;">September 30, 2011</th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Long-Lived Assets, Net</b></td> </tr> <tr> <td>United States</td> <td style="text-align: right;">\$ 51,449</td> <td style="text-align: right;">\$ 55,497</td> </tr> <tr> <td>Foreign</td> <td style="text-align: right;">976</td> <td style="text-align: right;">1,605</td> </tr> </tbody> </table> <p><i>Major Customers.</i> For the periods presented, the Company did not have any one customer who represented more than 10% of its net sales.</p>				Year Ended September 30,			2012	2011	2010	<b>Net Sales to Unaffiliated Customers</b>				United States	\$514,779	\$520,023	\$505,621	Foreign	26,697	25,371	25,571		September 30, 2012	September 30, 2011	<b>Long-Lived Assets, Net</b>			United States	\$ 51,449	\$ 55,497	Foreign	976	1,605
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Notes to Financial Statements - Interest Expense, Net

Interest Expense, Net	12 Months Ended		
	Sep. 30, 2012		
<b>Interest Expense Disclosure [Abstract]</b>			
INTEREST EXPENSE, NET	<p><b>22. INTEREST EXPENSE, NET</b></p> <p>Interest expense, net for the years ended September 30 is comprised of the following (in thousands):</p>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Interest expense	\$1,256	\$2,266	\$3,330
Interest income	(41)	(33)	(30)
Interest expense, net	<u>\$1,215</u>	<u>\$2,233</u>	<u>\$3,300</u>

**Notes to Financial Statements - Related Party Transactions**

Related Party Transactions	12 Months Ended Sep. 30, 2012
<b>Related Party Transactions [Abstract]</b>	
RELATED PARTY TRANSACTIONS	<p><b>23. RELATED PARTY TRANSACTIONS</b></p> <p>There is a husband and wife relationship between Mr. Matthias and Ms. Matthias. There are no family relationships among any of the Company's current executive officers or directors.</p> <p>The former non-executive Chairman of the Company's Board, who did not stand for reelection in February 2011, provided consulting services to Pepper Hamilton LLP, which provides legal services to the Company. The Company paid legal fees to this law firm of \$271,000, \$754,000 and \$288,000 in fiscal 2012, 2011 and 2010, respectively. As of September 30, 2012 and 2011, the Company had accrued amounts outstanding to this law firm of \$15,000 and \$31,000, respectively.</p>

Notes to Financial Statements - Valuation and Qualifying Accounts

Valuation and Qualifying Accounts	12 Months Ended			
	Sep. 30, 2012			
Valuation and Qualifying Accounts [Abstract]				
VALUATION AND QUALIFYING ACCOUNTS	SCHEDULE II—VALUATION AND QUALIFYING ACCOUNTS			
	(in thousands)			
	<u>Balance at beginning of period (1)</u>	<u>Additions charged to costs and expenses</u>	<u>Deductions and reclassifications</u>	<u>Balance at end of period (1)</u>
Year Ended September 30, 2012				
Product return reserve	\$ 2,083	\$ 142	\$ —	\$ 2,225
Year Ended September 30, 2011				
Product return reserve	\$ 1,469	\$ 614	\$ —	\$ 2,083
Year Ended September 30, 2010				
Product return reserve	\$ 324	\$ 896 (2)	\$ 249 (3)	\$ 1,469
	<p>(1) As of September 30, 2012, 2011 and 2010, the Company's product return reserve reflects the estimated gross sales value of estimated product returns, which had an estimated cost value of \$919, \$853 and \$617, respectively. For the year ended September 30, 2009, the Company's product return reserve was presented in the above table net of the estimated cost value of estimated product returns of \$249.</p> <p>(2) During fiscal 2010 the Company changed its store merchandise return policy to allow customers to return merchandise purchased in its retail stores for a full refund within 30 days of purchase.</p> <p>(3) Represents the reclassification of the September 30, 2009 estimated cost value of estimated product returns to present the product return reserve in the above table on a gross basis.</p>			



## Accounting Policies - Summary of Significant Accounting Policies (Policies)

Summary of Significant Accounting Policies (Policies)	12 Months Ended
	Sep. 30, 2012
Summary of Significant Accounting Policies [Abstract]	
Principles of Consolidation and Basis of Financial Statement Presentation	<p><i>a. Principles of Consolidation and Basis of Financial Statement Presentation</i></p> <p>The accompanying consolidated financial statements include the accounts of the Company and its direct and indirect wholly-owned subsidiaries: Cave Springs, Inc., Mothers Work Canada, Inc., Destination Maternity Apparel Private Limited and Mothers Work Services, Inc. All significant intercompany transactions and accounts have been eliminated in consolidation.</p>
Fiscal Year-End	<p><i>b. Fiscal Year-End</i></p> <p>The Company operates on a fiscal year ending September 30 of each year. All references to fiscal years of the Company refer to the fiscal years ended on September 30 in those years. For example, the Company's "fiscal 2012" ended on September 30, 2012.</p>
Use of Estimates	<p><i>c. Use of Estimates</i></p> <p>The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make certain estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.</p>
Cash and Cash Equivalents	<p><i>d. Cash and Cash Equivalents</i></p> <p>Cash and cash equivalents include cash on hand, cash in the bank and short-term investments with an original maturity of three months or less when purchased. Cash overdrafts of \$3,452,000 and \$3,853,000 were included in accounts payable as of September 30, 2012 and 2011, respectively.</p> <p>The Company maintains cash accounts that, at times, may exceed federally insured limits. The Company has not experienced any losses from maintaining cash accounts in excess of such limits. Management believes that it is not exposed to any significant credit risks on its cash accounts.</p>
Inventories	<p><i>e. Inventories</i></p> <p>Inventories are valued at the lower of cost or market. Cost is determined by the "first-in, first-out" (FIFO) method. Inventories of goods manufactured by the Company include the cost of materials, freight, direct labor, and manufacturing and distribution overhead.</p>
Property, Plant and Equipment	<p><i>f. Property, Plant and Equipment</i></p> <p>Property, plant and equipment are stated at cost. Depreciation and amortization are computed for financial reporting purposes on a straight-line basis, using service lives ranging principally from five to ten years for furniture and equipment and forty years for the building. Leasehold improvements are amortized using the straight-line method over the shorter of the lease term or their useful life. The cost of assets sold or retired and the related accumulated depreciation or amortization are removed from the accounts with any resulting gain or loss included in net income. Maintenance and repairs are expensed as incurred, except for the capitalization of major renewals and betterments that extend the life of the asset. Long-lived assets are reviewed for impairment whenever adverse events, or changes in circumstances or business climate, indicate that the carrying value may not be recoverable. Factors used in the evaluation include, but are not limited to, management's plans for future operations, brand initiatives, recent operating results and projected cash flows. If the associated undiscounted cash flows are insufficient to support the recorded asset, an impairment loss is recognized to reduce the carrying value of the asset. The amount of the impairment loss is determined by comparing the fair value of the asset with the carrying value.</p> <p>During fiscal 2012, 2011 and 2010, the Company recorded impairment write-downs of property, plant and equipment totaling \$1,875,000, \$759,000 and \$1,863,000, respectively, on a pretax basis.</p>
Intangible Assets	<p><i>g. Intangible Assets</i></p> <p>Intangible assets with definite useful lives consist primarily of patent and lease acquisition costs. The Company capitalizes legal costs incurred to defend its patents when a successful outcome is deemed probable and to the extent of an evident increase in the value of the patents. Intangible assets are amortized over the shorter of their useful life or, if applicable, the lease term. Management reviews the carrying amount of these intangible assets as impairment indicators arise, to assess the continued recoverability based on future undiscounted cash flows and operating results from the related asset, future asset utilization and changes in market conditions. During fiscal 2012, 2011 and 2010, the Company recorded write-downs of intangible assets totaling \$1,000, \$9,000 and \$2,000, respectively, on a pretax basis. The Company has not identified any indefinite-lived intangible assets. Aggregate amortization expense of intangible assets in fiscal 2012, 2011 and 2010 was \$142,000, \$135,000 and \$119,000, respectively.</p>

Source: Destination Maternity Corp, XBRL, 12/14/2012 | Powered by Intelligize

Estimated amortization expense of the Company's intangible assets as of September 30, 2012, for the next five fiscal years, is as follows (in thousands):

<u>Fiscal Year</u>	
2013	\$151
2014	134
2015	117
2016	112
2017	105

#### Interest Rate Derivatives

##### *h. Interest Rate Derivatives*

The Company mitigated a portion of its floating rate interest risk on variable rate long-term debt through an interest rate swap agreement that expired on April 18, 2012. In accordance with applicable accounting standards for derivative instruments, the Company recognized the derivative on the balance sheet at fair value. On the date the derivative instrument was entered into, the Company designated it as a hedge of the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge"). Changes in the fair value of a derivative that is designated as, and meets all the criteria for, a cash flow hedge are recorded in accumulated other comprehensive loss and reclassified into earnings as the underlying hedged item affects earnings. When applicable, the Company formally documents the relationship between hedging instruments and hedged items. Also when applicable, the Company formally assesses at the inception of the hedge and on a quarterly basis, whether the derivative is highly effective in offsetting changes in cash flows of the hedged item. Any portion of the change in fair value of the derivative associated with hedge ineffectiveness is included in current earnings. For fiscal 2012, 2011 and 2010, the Company's interest rate swap was determined to have no ineffectiveness.

#### Deferred Financing Costs

##### *i. Deferred Financing Costs*

Deferred financing costs are amortized to interest expense over the term of the related debt agreement. Amortization expense of deferred financing costs in fiscal 2012, 2011 and 2010 was \$105,000, \$170,000 and \$196,000, respectively. In connection with debt extinguishments, in fiscal 2012, 2011 and 2010 the Company wrote off \$22,000, \$37,000 and \$51,000, respectively, of unamortized deferred financing costs (see Note 10). In connection with its new credit facility entered into on November 1, 2012, the Company incurred approximately \$825,000 in deferred financing costs, of which \$61,000 was paid in fiscal 2012 (see Note 9).

Estimated amortization expense of the Company's deferred financing costs as of September 30, 2012 plus those incurred in November 2012, for the next five fiscal years, is as follows (in thousands):

<u>Fiscal Year</u>	
2013	\$173
2014	165
2015	165
2016	165
2017	165

#### Deferred Rent

##### *j. Deferred Rent*

Rent expense on operating leases, including rent holidays and scheduled rent increases, is recorded on a straight-line basis over the term of the lease commencing on the date the Company takes possession of the leased property, which is generally four to six weeks prior to a store's opening date. The net excess of rent expense over the actual cash paid has been recorded as a deferred rent liability in the accompanying Consolidated Balance Sheets. Tenant improvement allowances received from landlords are also included in the accompanying Consolidated Balance Sheets as deferred rent liabilities and are amortized as a reduction of rent expense over the term of the lease from the possession date.

#### Treasury (Reacquired) Shares

##### *k. Treasury (Reacquired) Shares*

Shares repurchased are retired and treated as authorized but unissued shares, with the cost in excess of par value of the reacquired shares charged to additional paid-in capital and the par value charged to common stock.

#### Fair Value of Financial Instruments

##### *l. Fair Value of Financial Instruments*

The carrying values of cash and cash equivalents, trade receivables and accounts payable approximate fair value due to the short-term nature of those instruments. The majority of the Company's long-term debt bears interest at variable rates, which adjust based on market conditions, and the carrying value of the long-term debt approximates fair value. The fair value of the Company's debt was determined using a discounted cash flow analysis based on interest rates currently available to the Company or for similar instruments available to companies with comparable credit quality. A significant portion of the Company's floating rate interest risk on variable rate long-term debt was mitigated through an interest rate swap agreement that expired on April 18, 2012. As of September 30, 2011, the estimated fair value of the interest rate swap was an unrealized loss of \$(145,000).

#### Revenue Recognition, Sales Returns and Allowances

##### *m. Revenue Recognition, Sales Returns and Allowances*

Revenue is recognized at the point of sale for retail store sales, including leased department sales, or

Source: Destination Maternity Corp, XBRL, 12/14/2012 | Powered by Intelligize

when merchandise is delivered to customers for licensed product and Internet sales, and when merchandise is shipped to international franchisees. A liability is established for the retail value of gift cards sold and merchandise credits issued. The liability is relieved and revenue is recognized when gift cards or merchandise credits are redeemed by customers as tender for merchandise purchased. Allowances for returns are recorded as a reduction of revenue, based on the Company's historical experience. Revenues are recorded net of applicable sales taxes.

Other Revenues	<p><b><i>n. Other Revenues</i></b></p> <p>Included in net sales are revenues earned by the Company through a variety of marketing partnership programs utilizing the Company's opt-in customer database and various in-store marketing initiatives, focused on baby and parent-related products and services. Revenue from marketing partnership programs is recognized when goods or services are provided. Also included in net sales are fees and royalties related to international franchise agreements. Franchise fees are earned by the Company when all material services or conditions related to the franchise agreement have been substantially performed or satisfied and royalties are earned based on net sales of the Company's international franchisees and may include minimum guaranteed royalties.</p>
Cost of Goods Sold	<p><b><i>o. Cost of Goods Sold</i></b></p> <p>Cost of goods sold in the accompanying Consolidated Statements of Income includes: merchandise costs (including customs duty expenses), expenses related to inventory shrinkage, product-related corporate expenses (including expenses related to payroll, benefit costs and operating expenses of the Company's buying departments), inventory reserves (including lower of cost or market reserves), inbound freight charges, purchasing and receiving costs, inspection costs, warehousing costs, internal transfer costs, and the other costs of the Company's distribution network.</p>
Shipping and Handling Fees and Costs	<p><b><i>p. Shipping and Handling Fees and Costs</i></b></p> <p>The Company includes shipping and handling revenue earned from its Internet activities in net sales. Shipping and handling costs, which are included in cost of goods sold in the accompanying Consolidated Statements of Income, include shipping supplies, related labor costs and third-party shipping costs.</p>
Selling, General and Administrative Expenses	<p><b><i>q. Selling, General and Administrative Expenses</i></b></p> <p>Selling, general and administrative expenses in the accompanying Consolidated Statements of Income include advertising and marketing expenses, corporate administrative expenses, store expenses (including store payroll and store occupancy expenses), and store opening expenses.</p>
Advertising Costs	<p><b><i>r. Advertising Costs</i></b></p> <p>The Company expenses the costs of advertising when the advertising first occurs. Advertising expenses, including Internet advertising expenses, were \$13,878,000, \$11,712,000 and \$12,147,000 in fiscal 2012, 2011 and 2010, respectively.</p>
Stock-based Compensation	<p><b><i>s. Stock-based Compensation</i></b></p> <p>The Company recognizes employee stock-based compensation as a cost in the accompanying Consolidated Statements of Income. Stock-based awards are measured at the grant date fair value and are recorded generally on a straight-line basis over the vesting period, net of estimated forfeitures. Excess tax benefits related to stock option exercises and restricted stock vesting, which are recognized in stockholders' equity, are reflected as financing cash inflows.</p>
Store Closing, Asset Impairment and Asset Disposal Expenses	<p><b><i>t. Store Closing, Asset Impairment and Asset Disposal Expenses</i></b></p> <p>Store closing expenses include lease termination fees, gains or losses on disposal of closed store assets and recognition of unamortized deferred rent. Asset impairment expenses represent losses recognized to reduce the carrying value of impaired long-lived assets. Asset disposal expenses represent gains or losses on disposal of assets other than in connection with store closings, including assets disposed from remodeling or relocation of stores.</p>
Income Taxes	<p><b><i>u. Income Taxes</i></b></p> <p>The Company utilizes the asset and liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities as well as from net operating loss carryforwards. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date.</p> <p>Under the accounting standard for uncertain income tax positions, recognition of a tax benefit occurs when a tax position is estimated by management to be more likely than not to be sustained upon examination, based solely on its technical merits. Derecognition of a previously recognized tax position would occur if it is subsequently determined that the tax position no longer meets the more-likely-than-not threshold of being sustained. Recognized tax positions are measured at the largest amount that management believes has a greater than 50% likelihood of being finalized. The Company records interest and penalties related to unrecognized tax benefits in income tax provision.</p>
Net Income per Share and Cash Dividends	<p><b><i>v. Net Income per Share and Cash Dividends</i></b></p> <p>Basic net income (or earnings) per share ("Basic EPS") is computed by dividing net income by the</p>

Source: Destination Maternity Corp, XBRL, 12/14/2012 | Powered by Intelligize

weighted average number of common shares outstanding, excluding restricted stock awards for which the restrictions have not lapsed. Diluted net income per share (“Diluted EPS”) is computed by dividing net income by the weighted average number of common shares outstanding, after giving effect to the potential dilution, if applicable, from the assumed lapse of restrictions on restricted stock awards and exercise of stock options into shares of common stock as if those stock options were exercised. Common shares issuable in connection with the award of performance-based restricted stock units (“RSUs”) are excluded from the calculation of EPS until the RSUs’ performance conditions are achieved and the shares in respect of the RSUs become issuable (see Note 14).

The following table summarizes those effects for the diluted net income per share calculation (in thousands, except per share amounts):

	<u>Year Ended September 30,</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Net income	<u>\$19,372</u>	<u>\$22,988</u>	<u>\$16,829</u>
Net income per share—Basic	<u>\$ 1.48</u>	<u>\$ 1.79</u>	<u>\$ 1.37</u>
Net income per share—Diluted	<u>\$ 1.46</u>	<u>\$ 1.75</u>	<u>\$ 1.33</u>
Average number of shares outstanding—Basic	13,096	12,820	12,304
Incremental shares from the assumed exercise of outstanding stock options	122	239	316
Incremental shares from the assumed lapse of restrictions on restricted stock awards	<u>49</u>	<u>61</u>	<u>71</u>
Average number of shares outstanding—Diluted	<u>13,267</u>	<u>13,120</u>	<u>12,691</u>

In addition to performance-based RSUs, for fiscal 2012, 2011 and 2010, stock options and unvested restricted stock totaling approximately 321,000, 164,000 and 292,000 shares, respectively, were excluded from the calculation of Diluted EPS as their effect would have been antidilutive.

On January 26, 2011, the Company announced the initiation of a regular quarterly cash dividend. During fiscal 2012 and 2011 the Company paid cash dividends totaling \$9,325,000 (\$0.70 per share) and \$6,901,000 (\$0.525 per share), respectively. On November 8, 2012 the Company declared a quarterly cash dividend of \$0.175 per share payable on December 28, 2012, which will require approximately \$2,400,000 of available cash.

#### Statements of Cash Flows

##### *w. Statements of Cash Flows*

In fiscal 2012, 2011 and 2010, the Company paid interest, including payments made on its interest rate swap agreement (see Note 10), of \$1,359,000, \$2,266,000 and \$3,414,000, respectively, and made income tax payments, net of refunds, of \$7,432,000, \$9,804,000 and \$2,357,000, respectively.

#### Business and Credit Risk

##### *x. Business and Credit Risk*

Financial instruments, primarily cash and cash equivalents and trade receivables, potentially subject the Company to concentrations of credit risk. The Company limits its credit risk associated with cash and cash equivalents by placing such investments in highly liquid funds and instruments. Trade receivables associated with third-party credit cards are processed by financial institutions, which are monitored for financial stability. Trade receivables associated with licensed, leased department and other relationships are evaluated for collectibility based on a combination of factors, including aging of trade receivables, write-off experience and past payment trends. The Company is dependent on key suppliers to provide sufficient quantities of inventory at competitive prices. No single supplier represented 10% or more of net purchases in fiscal 2012, 2011 or 2010. A significant majority of the Company’s purchases during fiscal 2012, 2011 and 2010 were imported. Management believes that any event causing a disruption of imports from any specific country could be mitigated by moving production to readily available alternative sources.

#### Insurance

##### *y. Insurance*

The Company is self-insured for workers’ compensation, general liability and automotive liability claims, and employee-related health care benefits, up to certain stop-loss limits. Such costs are accrued based on known claims and an estimate of incurred but not reported claims. Further, the Company utilizes a cooperative arrangement with a number of other companies to assist in managing certain workers’ compensation and general liability insurance risks for loss occurrences prior to March 1, 2010. The Company’s expenses associated with this relationship could be impacted by the loss history associated with the cooperative as a whole. Liabilities associated with these risks are estimated by considering historical claims experience and other actuarial assumptions.

#### Store Preopening Costs

##### *z. Store Preopening Costs*

Non-capital expenditures, such as payroll costs incurred prior to the opening of a new store, are charged to expense in the period in which they were incurred.

#### Recent Accounting Pronouncements

##### *aa. Recent Accounting Pronouncements*

In June 2011, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2011-05, *Comprehensive Income (Topic 220): Presentation of Comprehensive Income*. ASU No. 2011-05 requires companies to present the components of net income and other comprehensive income either as one continuous statement or as two consecutive statements. It eliminates

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the option to present components of other comprehensive income as part of the statement of stockholders' equity. The standard does not change the items which must be reported in other comprehensive income. ASU No. 2011-05 is effective for financial statements issued for annual reporting periods beginning after December 15, 2011 and interim periods within those years. Because this guidance impacts presentation only, the adoption of the new requirements of ASU No. 2011-05 will not have any impact on the Company's consolidated financial position or results of operations.

In May 2011, the FASB issued ASU No. 2011-04, *Fair Value Measurement (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. The amendments in ASU No. 2011-04 result in common fair value measurement and disclosure requirements in U.S. GAAP and IFRSs and change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. The amendments do not require additional fair value measurements and are not intended to establish valuation standards or affect valuation practices outside of financial reporting. ASU No. 2011-04 is effective during interim and annual periods beginning after December 15, 2011. The adoption of the new requirements of ASU No. 2011-04 did not have any impact on the Company's consolidated financial position or results of operations.

Notes Tables - Summary of Significant Accounting Policies (Tables)

Summary of Significant Accounting Policies (Tables)	12 Months Ended			
	Sep. 30, 2012			
<b>Summary of Significant Accounting Policies [Abstract]</b>				
Estimated amortization expense of Intangible Assets	<u>Fiscal Year</u>			
	2013		\$151	
	2014		134	
	2015		117	
	2016		112	
	2017		105	
Estimated amortization expense of deferred financing costs	<u>Fiscal Year</u>			
	2013		\$173	
	2014		165	
	2015		165	
	2016		165	
	2017		165	
Net income per share		<u>Year Ended September 30,</u>		
		<u>2012</u>	<u>2011</u>	<u>2010</u>
	Net income	\$19,372	\$22,988	\$16,829
	Net income per share—Basic	\$ 1.48	\$ 1.79	\$ 1.37
	Net income per share—Diluted	\$ 1.46	\$ 1.75	\$ 1.33
	Average number of shares outstanding—Basic	13,096	12,820	12,304
	Incremental shares from the assumed exercise of outstanding stock options	122	239	316
	Incremental shares from the assumed lapse of restrictions on restricted stock awards	49	61	71
	Average number of shares outstanding—Diluted	13,267	13,120	12,691

Notes Tables - Inventories (Tables)

Inventories (Tables)	12 Months Ended	
	Sep. 30, 2012	
Inventories [Abstract]		
Inventories		
	<u>2012</u>	<u>2011</u>
Finished goods	\$ 82,795	\$ 83,726
Work-in-progress	2,804	2,381
Raw materials	<u>3,155</u>	<u>4,259</u>
	<u>\$ 88,754</u>	<u>\$ 90,366</u>

Notes Tables - Property, Plant and Equipment, Net (Tables)

Property, Plant and Equipment, Net (Tables)	12 Months Ended	
	Sep. 30, 2012	
Property, Plant and Equipment, Net [Abstract]		
Summary of property, plant and equipment		
	<u>2012</u>	<u>2011</u>
Land	\$ 1,400	\$ 1,400
Building and improvements	15,843	15,465
Furniture and equipment	69,504	69,919
Leasehold improvements	<u>84,702</u>	<u>91,927</u>
	171,449	178,711
Less: accumulated depreciation and amortization	<u>(120,371)</u>	<u>(122,857)</u>
	<u>\$ 51,078</u>	<u>\$ 55,854</u>



Notes Tables - Restructuring and Other Charges (Tables)

Restructuring and Other Charges (Tables)	12 Months Ended				
	Sep. 30, 2012				
<b>Restructuring And Other Charges [Abstract]</b>					
Summary of the charges incurred and reserves					
	Balance Accrued September 30, 2010	Year Ended September 30, 2011 Charges Incurred      Payments		Balance Accrued September 30, 2011	Cumulative Charges Incurred to September 30, 2011
Severance and related benefits	\$ 159	\$ —	\$ (159)	\$ —	\$ 1,371
Cost reduction and other initiatives	106	—	(106)	—	5,006
<b>Total</b>	<b>\$ 265</b>	<b>\$ —</b>	<b>\$ (265)</b>	<b>\$ —</b>	<b>\$ 6,377</b>
	Balance Accrued September 30, 2009	Year Ended September 30, 2010 Charges Incurred      Payments		Balance Accrued September 30, 2010	
Severance and related benefits	\$ 37	\$ 323	\$ (201)	\$ 159	
Cost reduction and other initiatives	638	3,561	(4,093)	106	
<b>Total</b>	<b>\$ 675</b>	<b>\$ 3,884</b>	<b>\$ (4,294)</b>	<b>\$ 265</b>	

Notes Tables - Accrued Expenses and Other Current Liabilities (Tables)

Accrued Expenses and Other Current Liabilities (Tables)	12 Months Ended	
	Sep. 30, 2012	
Accrued Expenses and Other Current Liabilities [Abstract]		
Accrued expenses and other current liabilities		
	<u>2012</u>	<u>2011</u>
Employee compensation and benefits	\$ 5,918	\$ 6,526
Insurance, primarily self insurance reserves	5,341	4,558
Gift certificates and store credits	4,194	4,423
Deferred rent	3,599	3,567
Sales taxes	3,097	3,065
Product return reserve	2,225	2,083
Income taxes payable	1,350	—
Accounting and legal	1,215	1,495
Supplemental executive retirement plan benefits	150	600
Other	8,455	7,363
	<u>\$35,544</u>	<u>\$33,680</u>

Notes Tables - Deferred Rent and Other Non Current Liabilities (Tables)

Deferred Rent and Other Non Current Liabilities (Tables)	12 Months Ended	
	Sep. 30, 2012	
<b>Deferred Rent And Other Non-Current Liabilities [Abstract]</b>		
Deferred rent and other non-current liabilities		
	<u>2012</u>	<u>2011</u>
Deferred rent	\$21,245	\$23,132
Less: current portion included in accrued expenses and other current liabilities	(3,599)	(3,567)
Non-current deferred rent	17,646	19,565
Accrued income taxes	4,063	2,591
Interest rate swap	—	145
Supplemental executive retirement plan benefits	—	132
Other	175	166
	<u>\$21,884</u>	<u>\$22,599</u>

Notes Tables - Long Term Debt (Tables)

Long Term Debt (Tables)	12 Months Ended	
	Sep. 30, 2012	
Long-Term Debt [Abstract]		
Long-term debt		
	<u>2012</u>	<u>2011</u>
Senior secured Term Loan B, interest is variable (4.25% as of September 30, 2012), principal of \$225 due quarterly through December 31, 2012 with the remaining balance due March 13, 2013 (remaining balance of \$13,427 was prepaid on November 1, 2012)	\$ 13,427	\$29,327
Industrial Revenue Bond, interest is variable (0.45% as of September 30, 2012), principal due annually until September 1, 2020 (collateralized in full by a standby letter of credit)	1,830	2,015
	15,257	31,342
Less: current portion	(15,257)	(2,915)
	<u>\$ —</u>	<u>\$28,427</u>

Notes Tables - Equity Award Plans (Tables)

Equity Award Plans (Tables)	12 Months Ended				
Equity Award Plans [Abstract]	Sep. 30, 2012				
Stock option activity for all plans					
	<u>Outstanding Options</u> (in thousands)	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Life</u> (years)	<u>Aggregate Intrinsic Value</u> (in thousands)	
Balance—September 30, 2011	648	\$ 11.60			
Granted	107	15.85			
Exercised	(135)	8.25			
Forfeited	(11)	15.59			
Expired	(2)	4.90			
Balance—September 30, 2012	<u>607</u>	\$ 13.05	6.9	\$ <u>3,872</u>	
Exercisable— September 30, 2012	<u>202</u>	\$ 10.16	4.9	\$ <u>1,815</u>	
Weighted-average assumptions for option grants					
	<u>Year Ended September 30,</u>				
	<u>2012</u>	<u>2011</u>	<u>2010</u>		
Expected dividend yield	4.5%	3.2%	none		
Expected price volatility	63.0%	62.5%	62.9%		
Risk-free interest rate	1.0%	2.4%	2.7%		
Expected life	5.5 years	5.8 years	6.5 years		
Summarizes information about stock options outstanding					
	<u>Options Outstanding</u>			<u>Options Exercisable</u>	
<u>Range of Exercise Prices</u>	<u>Number Outstanding</u> (in thousands)	<u>Weighted Average Remaining Life</u> (years)	<u>Weighted Average Exercise Price</u>	<u>Number Exercisable</u> (in thousands)	<u>Weighted Average Exercise Price</u>
\$ 3.52 to \$ 5.00	18	6.1	\$ 3.52	7	\$ 3.52
5.01 to 6.00	14	3.2	5.01	14	5.01
6.01 to 6.50	21	2.7	6.45	21	6.45
6.51 to 7.00	170	5.8	6.87	90	6.87
7.01 to 12.00	109	7.1	11.78	11	10.87
12.01 to 22.00	169	7.8	16.91	38	16.36
22.01 to 22.13	<u>106</u>	8.4	22.13	<u>21</u>	<u>22.13</u>
\$ 3.52 to \$22.13	<u>607</u>	6.9	\$ 13.05	<u>202</u>	\$ 10.16
Restricted stock activity					
	<u>Outstanding Shares</u> (in thousands)		<u>Weighted Average Grant Date Fair Value</u>		
Nonvested—September 30, 2011	210		\$ 16.81		
Granted	110		15.59		
Vested	(86)		17.85		
Forfeited	(19)		14.06		
Nonvested—September 30, 2012	<u>215</u>		\$ 16.02		

Notes Tables - Income Taxes (Tables)

Income Taxes (Tables)	12 Months Ended		
	Sep. 30, 2012		
<b>Income Taxes [Abstract]</b>			
Income tax provision			
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Current provision	\$13,874	\$10,307	\$13,315
Deferred (benefit) provision	(1,378)	2,679	(2,062)
	<u>\$12,496</u>	<u>\$12,986</u>	<u>\$11,253</u>
Federal provision	\$ 8,517	\$12,047	\$ 8,769
State provision	2,170	924	2,484
Foreign provision	1,809	15	—
	<u>\$12,496</u>	<u>\$12,986</u>	<u>\$11,253</u>
Reconciliations of the statutory federal tax rate to the Company's effective income tax rates			
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Statutory federal tax rate	35.0%	35.0%	35.0%
State tax rate, net of federal benefit	2.7%	3.3%	2.4
Provision for (benefit from)			
uncertain income tax positions, net of federal effect	2.4	(1.5)	3.1
Other	(0.9)	(0.7)	(0.4)
	<u>39.2%</u>	<u>36.1%</u>	<u>40.1%</u>
Deferred tax effects of temporary differences giving rise to the Company's net deferred tax assets			
	<u>2012</u>	<u>2011</u>	
Deferred tax assets:			
Deferred rent	\$ 7,981	\$ 8,656	
Employee benefit accruals	2,915	2,509	
Depreciation and amortization	1,729	1,156	
Stock-based compensation	733	652	
Inventory reserves	637	685	
Foreign tax credit carryforwards	447	—	
Pension benefits	122	336	
Other accruals	2,866	2,897	
Other	1,322	1,378	
	<u>18,752</u>	<u>18,269</u>	
Deferred tax liability:			
Prepaid expenses	(528)	(564)	
	<u>\$18,224</u>	<u>\$17,705</u>	
Summary of Income Tax Contingencies [Table Text Block]			
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Balance at beginning of year	\$2,591	\$ 3,830	\$2,600
Additions for current year tax positions	1,377	203	1,147
Additions for prior year tax positions	266	154	485
Reductions of prior year tax positions	(20)	(1,104)	(402)
Settlements	(151)	(492)	—
Balance at end of year	<u>\$4,063</u>	<u>\$ 2,591</u>	<u>\$3,830</u>

Notes Tables - Commitments and Contingencies (Tables)

Commitments and Contingencies (Tables)	12 Months Ended	
	Sep. 30, 2012	
Commitments and Contingencies [Abstract]		
Future annual minimum operating lease payments		
	<u>Fiscal Year</u>	
	2013	\$ 45,787
	2014	34,396
	2015	24,872
	2016	18,582
	2017	14,206
	2018 and thereafter	<u>28,069</u>
		<u>\$165,912</u>

Notes Tables - Retirement Plans (Tables)

Retirement Plans (Tables)	12 Months Ended			
	Sep. 30, 2012			
<b>Retirement Plans [Abstract]</b>				
Changes in the benefit obligation under Supplemental Executive Retirement Agreements				
		<u>2012</u>	<u>2011</u>	
	Benefit obligation at beginning of year	\$ 732	\$ 5,560	
	Interest cost	18	88	
	Benefit payments	(600)	(4,916)	
	Benefit obligation at end of year	150	732	
	Less: current portion included in accrued expenses and other current liabilities	(150)	(600)	
	Non-current benefit obligation at end of year	<u>\$ —</u>	<u>\$ 132</u>	
Components of net periodic pension cost on a pretax basis				
		<u>2012</u>	<u>2011</u>	<u>2010</u>
	Service cost	\$ —	\$ —	\$ 439
	Interest cost	18	88	257
	Amortization of prior service cost	—	—	139
	Plan amendment and curtailment	—	—	888
	Total net periodic benefit cost	<u>\$ 18</u>	<u>\$ 88</u>	<u>\$1,723</u>
Accumulated other comprehensive loss				
			<u>2010</u>	
	Unrecognized prior service cost—beginning of year		\$(589)	
	Amortization of prior service cost		139	
	Prior service cost recognized for plan amendment and curtailment		450	
	Unrecognized prior service cost—end of year		<u>\$ —</u>	



Notes Tables - Quarterly Financial Information (Unaudited) (Tables)

Quarterly Financial Information (Unaudited) (Tables)	12 Months Ended			
	Sep. 30, 2012			
Quarterly Financial Information Disclosure [Abstract]				
Quarterly financial results				
	<b>Quarter Ended</b>			
<b>Fiscal 2012</b>	<b>9/30/12</b>	<b>6/30/12</b>	<b>3/31/12</b>	<b>12/31/11</b>
Net sales	\$128,487	\$138,847	\$137,792	\$136,350
Gross profit	71,588	75,756	73,761	69,606
Net income	5,189	6,941	4,979	2,263
Net income per share—Basic	0.39	0.53	0.38	0.17
Net income per share— Diluted	0.39	0.52	0.38	0.17
	<b>Quarter Ended</b>			
<b>Fiscal 2011</b>	<b>9/30/11</b>	<b>6/30/11</b>	<b>3/31/11</b>	<b>12/31/10</b>
Net sales	\$129,442	\$146,684	\$133,833	\$135,435
Gross profit	68,840	80,935	74,189	72,933
Net income	2,687	9,460	5,593	5,248
Net income per share—Basic	0.21	0.73	0.44	0.42
Net income per share— Diluted	0.20	0.72	0.43	0.40

Notes Tables - Segment and Enterprise Wide Disclosures (Tables)

Segment and Enterprise Wide Disclosures (Tables)	12 Months Ended		
	Sep. 30, 2012		
Segment and Enterprise Wide Disclosures [Abstract]			
Operations by geographic area			
	<u>Year Ended September 30,</u>		
	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Net Sales to Unaffiliated Customers</b>			
United States	\$514,779	\$520,023	\$505,621
Foreign	26,697	25,371	25,571
	<u>September 30,</u>		
	<u>2012</u>	<u>2011</u>	
<b>Long-Lived Assets, Net</b>			
United States	\$ 51,449	\$ 55,497	
Foreign	976	1,605	

Notes Tables - Interest Expense, Net (Tables)

Interest Expense, Net (Tables)	12 Months Ended		
	Sep. 30, 2012		
<b>Interest Expense Disclosure [Abstract]</b>			
Interest Expense, net			
	<u>2012</u>	<u>2011</u>	<u>2010</u>
Interest expense	\$1,256	\$2,266	\$3,330
Interest income	(41)	(33)	(30)
Interest expense, net	<u>\$1,215</u>	<u>\$2,233</u>	<u>\$3,300</u>

## Notes Details - Nature of Business (Details Textual)

Nature of Business (Details Textual)	Sep. 30, 2012 Leased_Department Retail_Location Store
<b>Number of retail location (Textual) [Abstract]</b>	
Number of retail locations	2,008
Number of stores	625
Leased departments	1,383

Notes Details - Summary of Significant Accounting Policies (Details)

<b>Summary of Significant Accounting Policies (Details) (USD \$) In Thousands</b>	<b>Sep. 30, 2012</b>
<b>Estimated amortization expense of intangible assets</b>	
2013	\$ 151
2014	134
2015	117
2016	112
2017	\$ 105

Notes Details - Summary of Significant Accounting Policies (Details 1)

<b>Summary of Significant Accounting Policies (Details 1) (USD \$) In Thousands</b>	<b>Sep. 30, 2012</b>
<b>Estimated amortization expense of deferred financing costs</b>	
2013	\$ 173
2014	165
2015	165
2016	165
2017	\$ 165

Notes Details - Summary of Significant Accounting Policies (Details 2)

Summary of Significant Accounting Policies (Details 2) (USD \$) In Thousands, except Per Share data	3 Months Ended								12 Months Ended		
	Sep. 30, 2012	Jun. 30, 2012	Mar. 31, 2012	Dec. 31, 2011	Sep. 30, 2011	Jun. 30, 2011	Mar. 31, 2011	Dec. 31, 2010	Sep. 30, 2012	Sep. 30, 2011	Sep. 30, 2010
<b>Summary of diluted net income per share calculation</b>											
Net income	\$ 5,189	\$ 6,941	\$ 4,979	\$ 2,263	\$ 2,687	\$ 9,460	\$ 5,593	\$ 5,248	\$ 19,372	\$ 22,988	\$ 16,829
Net income per share-Basic	\$ 0.39	\$ 0.53	\$ 0.38	\$ 0.17	\$ 0.21	\$ 0.73	\$ 0.44	\$ 0.42	\$ 1.48	\$ 1.79	\$ 1.37
Net income per share-Diluted	\$ 0.39	\$ 0.52	\$ 0.38	\$ 0.17	\$ 0.20	\$ 0.72	\$ 0.43	\$ 0.40	\$ 1.46	\$ 1.75	\$ 1.33
Average number of shares outstanding-Basic									13,096	12,820	12,304
Average number of shares outstanding-Diluted									13,267	13,120	12,691
Restricted stock [Member]											
<b>Summary of diluted net income per share calculation</b>											
Incremental shares from the assumed lapse of restrictions on restricted stock awards									49	61	71
Stock options [Member]											
<b>Summary of diluted net income per share calculation</b>											
Incremental shares from the assumed exercise of outstanding stock options									122	239	316

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