

FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED

ABN 098 026 281

Australian Stock Exchange Listing Rules Disclosure

Half Year Report

For the period ended 30 September 2014

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The information contained in this Report is to be read in conjunction with the last annual report and any announcements to the market by Fisher & Paykel Healthcare Corporation Limited during the period.

Fisher & Paykel Healthcare Corporation Limited

ABN 098 026 281

Half Year Report

For the period ended 30 September 2014
compared to the period ended 30 September 2013

Group Results			
Total Operating Revenue (\$NZ000's) (Appendix 4D item 2.1)	Up	4%	to \$317,444
Earnings before interest and tax (\$NZ000's)	Up	8%	to \$72,623
Net profit for the period attributable to members (\$NZ000's)	Up	10%	to \$48,917

Dividends	Amount per security* NZ cents	Franked amount per security NZ cents
Interim dividend	5.8	N/A
Previous corresponding period	5.4	N/A
The record date for determining entitlements to the interim dividend	5 December 2014	

Half Year Results Commentary

Net profit after tax was NZ\$48.9 million for the six months ended 30 September 2014, an increase of 10% compared to the prior corresponding period's NZ\$44.5 million. In constant currency, operating profit increased 64%.¹ The increase in the half year net profit after tax reflects revenue growth, further gross margin expansion and other operational efficiencies, partially offset by a reduction in foreign exchange hedging gains.

Operating revenue was a record NZ\$317.4 million, 4% above the prior half year, and 12% growth in constant currency. The company's respiratory and acute care (RAC) product group operating revenue increased by 13% and obstructive sleep apnea (OSA) product group revenue increased by 15% over the prior comparable period, in constant currency.

Strong growth in the RAC product group was driven by increasing acceptance of products which are used in applications outside of intensive care ventilation, including non-invasive ventilation, oxygen therapy and humidity therapy. Consumables revenue from those new applications increased 26% in the first half, in constant currency.

OSA mask constant currency revenue grew 20% in the first half, reflecting strong demand for new masks introduced during the prior year. Total flow generator revenue growth was 8% in constant currency for the first half.

The company's financial statements for the six months ended 30 September 2014 and the comparative financial information for the six months ended 30 September 2013 have been prepared under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), Interpretations and other applicable FRS.

The company's debt to debt plus equity ratio of 18.6% is nearing the target range of 5% to 15% (excluding unrealised financial instrument gains or losses) which was established in May 2010 following a review of the company's capital structure. The directors believe that it is therefore now appropriate to increase the interim dividend and remove the discount from the Dividend Reinvestment Plan (DRP).

The directors have approved an increased interim dividend of NZ 5.8 cents per ordinary share carrying a full imputation credit of 2.2556 cents per share. Eligible non-resident shareholders will receive a supplementary dividend of NZ 1.0235 cents per share. The interim dividend will be paid on 19 December 2014, with a record date of 5 December 2014 and an ex-dividend date of 3 December 2014 for the NZSX and ASX.

The dividend payment for the first half at 5.8 cps equates to 66% of net profit after tax.

The company offers eligible shareholders the opportunity to receive ordinary shares rather than cash under the DRP. Shareholders who have not yet elected to participate in the DRP will need to provide a Participation Notice to the Company's Share Registrar by 8 December 2014. No discount will apply to the DRP.

¹ For clarity, all references to constant currency amounts or percentages are stated in italics.

Financial Performance

The following table sets out the consolidated statement of financial performance for the six months ended 30 September 2013 and 2014 in New Zealand dollars:

Income Statement	Six months ended 30 September	
	2013 NZ\$000	2014 NZ\$000
Operating revenue	303,917	317,442
Cost of sales	126,328	125,229
Gross profit	177,589	192,213
Gross margin	58.4%	60.6%
Other income	1,200	2,500
Selling, general and administrative expenses	86,032	90,752
Research and development expenses	25,818	31,338
Total operating expenses	111,850	122,090
Operating profit before financing costs	66,939	72,623
Operating margin	22.0%	22.9%
Net financing expense	4,346	5,714
Profit before tax	62,593	66,909
Tax expense	18,101	17,992
Profit after tax	44,492	48,917

Foreign Exchange Effects

The company is exposed to movements in foreign exchange rates, with approximately 47% of operating revenue generated in US dollars, 24% in Euros, 6% in Australian dollars, 5% in Japanese yen, 5% in British pounds, 4% in Canadian dollars, 2% in New Zealand dollars and 7% in other currencies.

As the number of direct sales operations increases, an increasing proportion of the company's revenue is generated in local currencies, reducing operating revenue exposure to the US dollar over recent periods. In the current period the proportion of revenue which was generated in US dollars has reduced from 48% to 47%. The company's cost base is also becoming more diverse, as manufacturing output from Mexico has increased to 27% of consumables output.

By historical standards the New Zealand dollar remained elevated against most of the currencies in which the company receives revenue. Foreign exchange hedging gains contributed NZ\$18.0 million (2013: NZ\$31.1 million) to operating profit.

The average daily spot rate and the average effective exchange rate (i.e. the accounting rate, incorporating the benefit of forward exchange contracts entered into by the company in respect of the relevant financial year) of the main foreign currency exposures for the six months ended 30 September 2013 and 2014 are set out in the table below:

	Average Daily Spot Rate		Average Effective Exchange Rate	
	Six months ended 30 September		Six months ended 30 September	
	2013	2014	2013	2014
USD	0.8097	0.8519	0.6299	0.7969
EUR	0.6155	0.6319	0.5057	0.5147

The effect of balance sheet translations of offshore assets and liabilities for the six months ended 30 September 2014 resulted in an increase in operating revenue of NZ\$5.4 million (2013: NZ\$1.1 million) and an increase in profit before tax of NZ\$3.6 million (2013: NZ\$0.3 million).

Constant Currency Analysis

A constant currency income statement is prepared each month to enable the board and management to monitor and assess the company's underlying comparative financial performance without any distortion from changes in foreign exchange rates. The table below provides estimated NZ dollar income statements for the relevant periods, which have all been restated at the budget foreign exchange rates for the 2015 financial year but after excluding the impact of movements in foreign exchange rates, hedging results and balance sheet translations.

This constant currency analysis is non-conforming financial information, as defined by the NZ Financial Markets Authority, and has been provided to assist users of financial information to better understand and assess the company's financial performance without the impacts of spot foreign currency fluctuations and hedging results and has been prepared on a consistent basis each half year. The company's constant currency income statement framework can be found on the company's website at www.fphcare.com/CCIS.

Constant Currency Income Statements (Unaudited)	Six months ended 30 Sep 2012 NZ\$000	Six months ended 30 Sep 2013 NZ\$000	Variation 2012 to 2013 %	Six months ended 30 Sep 2014 NZ\$000	Variation 2013 to 2014 %
Operating revenue	232,242	261,415	+13	293,974	+12
Cost of sales	118,592	124,229	+5	126,277	+2
Gross profit	113,650	137,186	+21	167,697	+22
Gross Margin	48.9%	52.5%	+354bps	57.0%	+457bps
Other income	1,200	1,200	-	2,500	+108
Selling, general and administrative expenses	73,185	82,784	+13	90,020	+9
Research & development expenses	21,335	25,818	+21	31,338	+21
Total operating expenses	94,520	108,602	+15	121,358	+12
Operating profit	20,330	29,784	+47	48,839	+64
Operating margin	8.8%	11.4%	+264bps	16.6%	+522bps
Financing expenses (net)	1,417	3,745	+164	3,080	-18
Profit before tax	18,913	26,039	+38	45,759	+76

The significant exchange rates used in the constant currency analysis, being the budget exchange rates for the year ending 31 March 2015, are USD 0.85, EUR 0.615, AUD 0.945, GBP 0.50, CAD 0.925, JPY 88 and MXN 11.0.

A reconciliation of the constant currency income statements above to the actual income statements for half year is provided below.

Reconciliation of Constant Currency to Actual Income Statements (Unaudited)	Six months ended 30 September		
	2012 NZ\$000	2013 NZ\$000	2014 NZ\$000
Profit before tax (constant currency)	18,913	26,039	45,759
Spot exchange rate effect	7,647	5,123	(456)
Foreign exchange hedging result	21,212	31,084	18,046
Balance sheet revaluation	(569)	347	3,560
Profit before tax (as reported)	47,203	62,593	66,909

The reconciliation set out above illustrates that, when comparing the NZ dollar profit before tax shown in the actual income statement for the six months to 30 September 2014 with the corresponding period for the prior year:

- the movement in average daily spot exchange rates had an adverse impact of NZ\$5.6m; and
- the benefit from the company's foreign exchange hedging activities was lower by NZ\$13.0m.

Overall, the net unfavourable effect of movements in exchange rates and the hedging programme was NZ\$15.4m, including the impact of balance sheet revaluations.

Operating revenue

Operating revenue increased by 4% to NZ\$317.4 million for the six months ended 30 September 2014 from NZ\$303.9 million for the six months ended 30 September 2013, principally due to increased sales volume from our core products.

The following table sets out operating revenue by product group for the six months ended 30 September 2013 and 2014:

Operating Revenue By Product Group	Six months ended 30 September	
	2013 NZ\$000	2014 NZ\$000
RAC products	164,090	173,693
OSA products	131,208	138,064
Core products sub-total	295,298	311,757
Distributed and other products	8,619	5,685
Total	303,917	317,442

RAC product group operating revenue increased 6% to NZ\$173.7 million and 13% in constant currency, compared with the corresponding period last year.

Expansion of the application of products and technologies to the care of patients beyond the company's traditional invasive ventilation market continued, with an increasing proportion of consumables revenue coming from devices used in non-invasive ventilation, oxygen therapy, humidity therapy and surgery. Constant currency revenue for these new applications grew 26% for the six months ended 30 September 2014 and in total represented 45% of RAC consumables revenue.

In the RAC product group, underlying average sell prices were supported by some modest selling price increases.

OSA product group operating revenue increased 5% to NZ\$138.1 million, and 15% in constant currency, compared with the corresponding period last year.

Constant currency mask revenue grew 20% for the six months, due to growth in demand for new masks introduced in the prior year.

Sales of RAC products represented 55% of operating revenue for the six months ended 30 September 2014 compared to 54% for the prior corresponding period. Sales of OSA products represented 43% of operating revenue for the six months ended 30 September 2013 and 2014. Sales of consumable and accessory products for core products accounted for approximately 78% and 80% of operating revenue for the six months ended 30 September 2013 and 2014 respectively.

Regional revenue

The following table sets out operating revenue for each of our regional markets for the six months ended 30 September 2013 and 2014:

Operating Revenue By Region	Six months ended 30 September	
	2013 NZ\$000	2014 NZ\$000
North America	131,100	133,111
Europe	96,455	106,149
Asia Pacific	59,628	62,127
Other	16,734	16,055
Total	303,917	317,442

The breakdown of revenue presented above is based on the geographical location of the customer and is inclusive of foreign exchange gains.

Expenses

Research and development activities are primarily conducted in New Zealand. Research and development expenses totalled NZ\$31.3 million for the six months ended 30 September 2014 compared to NZ\$25.8 million in the prior corresponding period last year, growth of 21%. The increase was attributable to increases in R&D personnel and costs in connection with the continuing expansion of product and process development activities for the RAC and OSA product groups. Research and development expenses represented 9.9% of operating revenue for the six months ended 30 September 2014.

Selling, general and administrative expenses increased by 5% to NZ\$90.8 million for the six months ended 30 September 2014 compared to NZ\$86.0 million in the corresponding period last year. This increase was primarily attributable to an increase in personnel to support our growing international sales and marketing activities. Selling, general and administrative expenses increased by 9%, in constant currency, for the six months ended 30 September 2014.

Gross Profit

Constant currency gross margin percentage increased by *457 basis points* due to a number of factors, including positive RAC and OSA product mixes, logistics and manufacturing improvements, including the contribution from our Mexico manufacturing facility. We expect the constant currency gross margin percentage increase to be closer to *300 basis points* for the full year as we lap a number of successful product introductions in the second half.

Operating profit

Operating profit increased by 8% to NZ\$72.6 million for the six months ended 30 September 2014 from NZ\$66.9 million for the prior corresponding period.

In constant currency, operating profit increased by 64%.

Balance Sheet

Gearing² at 30 September 2014 was 18.6%, lower than the 21.0% gearing at 31 March 2014, and also lower than the 29.2% at 30 September 2013. The decrease in gearing since 31 March 2014 is a result of the lower net debt level at 30 September 2014 as operating cashflow has improved and capital expenditure has moderated in comparison to previous years.

The gearing figure remains above the target range of 5% to 15%. Approximately four years ago the directors put in place plans for the company to progressively move it's gearing into the target range, subject to exchange rate movements, profitability and dividend payout. Gearing is expected to reduce by the end of the financial year to be within our target range.

Funding

The company had total available committed debt funding of NZ\$197 million as at 30 September 2014, of which approximately NZ\$104 million was undrawn, and cash on hand of NZ\$7 million. Bank debt facilities provide all available funding given the modest level of requirements. Over the next 12 months no debt facilities will mature. As at 30 September 2014, the weighted average maturity of borrowing facilities is 2.0 years.

Debt maturity

The average maturity of the debt of NZ\$83 million was 1.9 years and the currency split was 53% New Zealand dollars; 23% US dollars; 18% Euros; 4% Australian dollars and 2% Canadian dollars.

Interest rates

Approximately 98% of all borrowings were at fixed interest rates with an average duration of 3.7 years and an average rate of 4.9%. Inclusive of floating rate borrowings the average interest rate on the debt is currently 4.9%. All interest rates are inclusive of margins but not fees.

Cashflow

Cashflow from operations was NZ\$58.6 million compared with NZ\$33.4 million for the six months ended 30 September 2013. The increase was mainly related to improved receipts from customers reflecting higher sales and improvements in gross margin.

Capital expenditure for the period was NZ\$25.5 million compared with NZ\$18.4 million in the prior half year. The capital expenditure related predominantly to new product tooling and manufacturing equipment. The increase in intangible expenditure related to costs for an ERP project the Company is undertaking to position itself for future growth.

²Net interest-bearing debt (debt less cash and cash equivalents) to net interest-bearing debt and equity (less cash flow hedge reserve - unrealised).

Financial highlights

Unaudited	Six months ended 30 September	
	2013	2014
Pre-tax return on average shareholders' equity (annualised)	33.6%	32.6%
Earnings per share (cents)	8.3	8.8
Dividends (interim proposed) per share (cents)	5.4	5.8
Gearing	29.2%	18.6%

Foreign Exchange Hedging Position

The hedging position for our main exposures, the US dollar and Euro, as at the date of this report is:

	Six months to 31 March	Year to 31 March		
	2015	2016	2017	2018
USD % cover of expected exposure	95%	42%	15%	0%
USD average rate of cover	0.80	0.77	0.74	-
EUR % cover of expected exposure	96%	68%	30%	0%
EUR average rate of cover	0.53	0.56	0.55	-

Fisher & Paykel Healthcare Corporation Limited
Consolidated Income Statement

	Notes	Unaudited Six Months Ended 30 September 2013 NZ\$000	Audited Year Ended 31 March 2014 NZ\$000	Unaudited Six Months Ended 30 September 2014 NZ\$000
Operating revenue	3	303,917	623,447	317,442
Cost of sales		(126,328)	(258,049)	(125,229)
Gross profit		177,589	365,398	192,213
Other income	4	1,200	3,700	2,500
Selling, general and administrative expenses		(86,032)	(171,453)	(90,752)
Research and development expenses		(25,818)	(54,146)	(31,338)
Total operating expenses		(111,850)	(225,599)	(122,090)
Operating profit before financing costs		66,939	143,499	72,623
Financing income		38	57	80
Financing expense		(3,841)	(7,780)	(3,159)
Exchange gain (loss) on foreign currency borrowings		(543)	888	(2,635)
Net financing (expense)		(4,346)	(6,835)	(5,714)
Profit before tax	5	62,593	136,664	66,909
Tax expense	6	(18,101)	(39,611)	(17,992)
Profit after tax		44,492	97,053	48,917
Basic earnings per share		8.2 cps	17.7 cps	8.8 cps
Diluted earnings per share		7.9 cps	17.4 cps	8.6 cps
Weighted average basic ordinary shares outstanding		544,626,558	547,094,526	553,644,907
Weighted average diluted ordinary shares outstanding		564,578,936	557,553,102	568,575,334

Fisher & Paykel Healthcare Corporation Limited
Consolidated Statement of Comprehensive Income

	Unaudited Six Months Ended 30 September 2013 NZ\$000	Audited Year Ended 31 March 2014 NZ\$000	Unaudited Six Months Ended 30 September 2014 NZ\$000
Profit after tax	44,492	97,053	48,917
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Cash flow hedge reserve - unrealised			
Changes in fair value	5,967	19,312	(8,284)
Transfers to profit before tax	(16,424)	(32,965)	(20,244)
Tax on changes in fair value and transfers to profit before tax	2,928	3,823	7,988
Cash flow hedge reserve - realised			
Transfers to profit before tax	(16,343)	(21,291)	-
Tax on transfers to profit before tax	4,588	5,987	-
Other comprehensive income, net of tax	(19,284)	(25,134)	(20,540)
Total comprehensive income	25,208	71,919	28,377

Fisher & Paykel Healthcare Corporation Limited
Consolidated Statements of Changes in Equity

	Share capital	Treasury shares	Retained earnings	Asset revaluation reserve	Cash flow hedge reserve - unrealised	Cash flow hedge reserve - realised	Employee share entitlement reserve	Employee share option reserve	Total equity
	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000
Unaudited									
Balance at 31 March 2013	92,815	(1,535)	194,918	24,100	44,089	15,304	203	2,337	372,231
Total comprehensive income	-	-	44,492	-	(7,529)	(11,755)	-	-	25,208
Dividends paid	-	-	(37,983)	-	-	-	-	-	(37,983)
Issue of share capital under dividend reinvestment plan	12,862	-	-	-	-	-	-	-	12,862
Issue of share capital	29	-	-	-	-	-	-	-	29
Movement in employee share entitlement reserve	-	-	-	-	-	-	62	-	62
Movement in employee share option reserve	-	-	-	-	-	-	-	(337)	(337)
Movement in treasury shares	-	3	-	-	-	-	-	-	3
Increase in share capital under share option schemes for employee services	997	-	-	-	-	-	-	-	997
Employee share scheme shares issued for employee services	-	-	-	-	-	-	-	-	-
Balance at 30 September 2013	106,703	(1,532)	201,427	24,100	36,560	3,549	265	2,000	373,072
Audited									
Balance at 31 March 2013	92,815	(1,535)	194,918	24,100	44,089	15,304	203	2,337	372,231
Total comprehensive income	-	-	97,053	-	(9,830)	(15,304)	-	-	71,919
Dividends paid	-	-	(67,518)	-	-	-	-	-	(67,518)
Issue of share capital under dividend reinvestment plan	26,783	-	-	-	-	-	-	-	26,783
Issue of share capital	1,046	-	-	-	-	-	-	-	1,046
Movement in employee share entitlement reserve	-	-	-	-	-	-	(73)	-	(73)
Movement in employee share option reserve	-	-	-	-	-	-	-	412	412
Movement in treasury shares	-	(24)	-	-	-	-	-	-	(24)
Increase in share capital under share option schemes for employee services	987	-	-	-	-	-	-	-	987
Employee share scheme shares issued for employee services	301	-	-	-	-	-	-	-	301
Unclaimed dividends	-	-	58	-	-	-	-	-	58
Balance at 31 March 2014	121,932	(1,559)	224,511	24,100	34,259	-	130	2,749	406,122
Unaudited									
Total comprehensive income	-	-	48,917	-	(20,540)	-	-	-	28,377
Dividends paid	-	-	(38,626)	-	-	-	-	-	(38,626)
Issue of share capital under dividend reinvestment plan	16,690	-	-	-	-	-	-	-	16,690
Issue of share capital	13	-	-	-	-	-	-	-	13
Movement in employee share entitlement reserve	-	-	-	-	-	-	70	-	70
Movement in employee share option reserve	-	-	-	-	-	-	-	(33)	(33)
Movement in treasury shares	-	5	-	-	-	-	-	-	5
Increase in share capital under share option schemes for employee services	1,632	-	-	-	-	-	-	-	1,632
Employee share scheme shares issued for employee services	2	-	-	-	-	-	-	-	2
Balance at 30 September 2014	140,269	(1,554)	234,802	24,100	13,719	-	200	2,716	414,252

Fisher & Paykel Healthcare Corporation Limited
Consolidated Balance Sheet

	Notes	Unaudited 30 September 2013 NZ\$000	Audited 31 March 2014 NZ\$000	Unaudited 30 September 2014 NZ\$000
ASSETS				
Current assets				
Cash and cash equivalents		6,846	10,438	6,882
Trade and other receivables		85,143	93,363	98,967
Inventories		100,303	94,475	100,415
Derivative financial instruments	13	34,199	35,332	16,942
Tax receivable		418	1,350	1,368
Total current assets		226,909	234,958	224,574
Non-current assets				
Property, plant and equipment		351,205	349,760	356,654
Intangible assets		8,990	10,405	13,309
Other receivables		1,649	2,165	1,366
Derivative financial instruments	13	23,360	18,366	10,777
Deferred tax asset	8	14,261	14,671	19,155
Total assets		626,374	630,325	625,835
LIABILITIES				
Current liabilities				
Interest-bearing liabilities	7	19,791	45,786	17,126
Trade and other payables		65,430	71,261	71,569
Provisions		2,929	3,388	2,956
Tax payable		4,436	6,740	8,648
Derivative financial instruments	13	1,863	1,615	4,832
Total current liabilities		94,449	128,790	105,131
Non-current liabilities				
Interest-bearing liabilities	7	126,012	63,570	81,306
Provisions		2,801	2,483	2,556
Other payables		5,854	4,899	5,519
Derivative financial instruments	13	4,008	3,428	3,824
Deferred tax liability	8	20,178	21,033	13,247
Total liabilities		253,302	224,203	211,583
EQUITY				
Share capital		106,703	121,932	140,269
Treasury shares		(1,532)	(1,559)	(1,554)
Retained earnings		201,427	224,511	234,802
Asset revaluation reserve		24,100	24,100	24,100
Cash flow hedge reserve - unrealised		36,560	34,259	13,719
Cash flow hedge reserve - realised	13	3,549	-	-
Employee share entitlement reserve		265	130	200
Employee share option reserve		2,000	2,749	2,716
Total equity		373,072	406,122	414,252
Total liabilities and equity		626,374	630,325	625,835

On behalf of the Board
19 November 2014



A J Carter
Chairman



M G Daniell
**Managing Director and
Chief Executive Officer**

Fisher & Paykel Healthcare Corporation Limited
Consolidated Statement of Cash Flows

	Notes	Unaudited Six Months Ended 30 September 2013 NZ\$000	Audited Year Ended 31 March 2014 NZ\$000	Unaudited Six Months Ended 30 September 2014 NZ\$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers		285,694	591,674	318,709
Grants received		1,320	3,105	2,250
Interest received		18	21	63
Payments to suppliers and employees		(235,959)	(455,114)	(239,477)
Tax paid		(13,820)	(27,936)	(19,724)
Interest paid		(3,845)	(7,651)	(3,202)
Net cash flows from operations	12	33,408	104,099	58,619
CASH FLOWS (USED IN) INVESTING ACTIVITIES				
Sales of property, plant and equipment		19	19	3
Purchases of property, plant and equipment		(17,136)	(27,305)	(20,532)
Purchases of intangible assets		(1,328)	(4,574)	(4,955)
Net cash flows (used in) investing activities		(18,445)	(31,860)	(25,484)
CASH FLOWS (USED IN) FINANCING ACTIVITIES				
Employee share purchase schemes		183	299	237
Issue of share capital under dividend reinvestment plan		12,862	26,782	16,690
Issue of share capital		297	355	901
New borrowings		8,754	8,754	5,000
Repayment of borrowings		-	(30,816)	(19,742)
Dividends paid		(37,983)	(67,518)	(38,626)
Supplementary dividends paid to overseas shareholders		(2,566)	(4,595)	(2,681)
Net cash flows (used in) financing activities		(18,453)	(66,739)	(38,221)
Net increase (decrease) in cash		(3,490)	5,500	(5,086)
Opening cash		(9,427)	(9,427)	(3,761)
Effect of foreign exchange rates		(28)	166	221
Closing cash		(12,945)	(3,761)	(8,626)
RECONCILIATION OF CLOSING CASH				
Cash and cash equivalents		6,846	10,438	6,882
Bank overdrafts	7	(19,791)	(14,199)	(15,508)
		(12,945)	(3,761)	(8,626)

Notes to the Financial Statements

For the six months ended 30 September 2014

1. General Information

Fisher & Paykel Healthcare Corporation Limited (the “Company” or “Parent”) together with its subsidiaries (the “Group”) is a leading designer, manufacturer and marketer of medical device products and systems for use in respiratory care, acute care and the treatment of obstructive sleep apnea. Products are sold in over 120 countries worldwide.

The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 15 Maurice Paykel Place, East Tamaki, Auckland.

These consolidated interim financial statements were approved by the Board of Directors on 19 November 2014, and are not audited, but were reviewed by PwC in accordance with the New Zealand Standard on Review Engagements 2410.

2. Basis of preparation of financial statements

These general purpose financial statements for the six months ended 30 September 2014 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with NZ IAS 34 and IAS 34, *Interim Financial Reporting*. The Company and Group are designated as profit-oriented entities for financial reporting purposes.

Statutory base

The Company is registered under the Companies Act 1993 and is an issuer in terms of the Securities Act 1978 and the Financial Reporting Act 1993. The Company is also listed on the New Zealand Stock Exchange (NZX) and the Australian Stock Exchange (ASX).

These consolidated interim financial statements do not include all the notes normally included in an annual financial report. Accordingly, this report should be read in conjunction with the audited financial statements for the year ended 31 March 2014, which have been prepared in accordance with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

All accounting policies have been applied on a basis consistent with those used in the audited financial statements for the year ended 31 March 2014, as described in those annual financial statements.

Standards, Interpretations and Amendments to Published Standards

There are no new standards or amendments to existing standards effective for the financial year ending 31 March 2015 which have a material impact on the Group.

The following accounting standards and amendments to existing standards are not yet effective and have not been early adopted by the Group:

NZ IFRS 9, ‘Financial instruments’, addresses the classification, measurement and recognition of financial assets and financial liabilities. NZ IFRS 9 was issued in November 2009, October 2010 and December 2013. It replaces the parts of NZ IAS 39 that relate to the classification and measurement of financial instruments and hedge accounting. NZ IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the

standard retains most of the NZ IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The new hedge accounting model more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risks. The Group is yet to assess NZ IFRS 9's full impact.

IFRS 9, Financial Instruments, was issued by the International Accounting Standards Board in July 2014 as a complete version of the standard. This standard adds to the requirements of NZ IFRS 9 by incorporating the expected credit loss model for calculating the impairment of financial assets. This standard is effective for reporting periods beginning on or after 1 January 2018. The Group is yet to assess the impact of this standard and does not expect to adopt it before its effective date.

NZ IFRS 15: *'Revenue from contracts with customers'*, effective for periods beginning on or after 1 January 2017. NZ IFRS 15 addresses recognition of revenue from contracts with customers and replaces the current revenue recognition guidance in NZ IAS 18 Revenue and NZ IAS 11 Construction Contracts and is applicable to all entities with revenue. It sets out a five step model for revenue recognition to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The Group is yet to assess the impact of NZ IFRS 15.

Fisher & Paykel Healthcare Corporation Limited
Notes to the Accounts

	Unaudited Six Months Ended 30 September 2013 NZ\$000	Audited Year Ended 31 March 2014 NZ\$000	Unaudited Six Months Ended 30 September 2014 NZ\$000
3. OPERATING REVENUE			
Revenue before hedging:			
North America	113,750	235,433	128,965
Europe	88,104	192,878	95,489
Asia Pacific	56,542	112,569	59,103
Other	14,384	27,722	15,657
Total revenue before hedging	272,780	568,602	299,214
Foreign exchange gain on hedged sales	31,137	54,845	18,228
Total operating revenue	303,917	623,447	317,442

The breakdown of revenue before hedging presented above is based on the geographical location of the customer. This presentation is different to that shown in Note 15 as described in that note.

4. OTHER INCOME

Technology development grant	1,200	1,200	-
R&D growth grant	-	2,500	2,500

5. EXPENSES

Profit before tax includes the following expenses:

Depreciation	13,643	26,744	13,917
Amortisation:			
Patents and trademarks	686	1,371	739
Software	736	1,518	878
Other	133	260	137
Total amortisation	1,555	3,149	1,754
Employee benefits expense	103,964	218,561	118,073
Rental expense	1,978	4,131	1,923
Trade receivables written off	638	1,341	225

6. TAX EXPENSE

Profit before tax	62,593	136,664	66,909
Tax expense at the New Zealand rate of 28%	17,526	38,266	18,735
Adjustments to tax for:			
Non-assessable income	(158)	12	(72)
Non-deductible expenses	445	1,093	338
Tax at 30% on previously monetised financial instruments	12	26	-
Foreign tax rates other than 28%	318	244	(188)
Effect of foreign currency translations	(47)	288	(819)
Other	5	(318)	(2)
Total tax expense	18,101	39,611	17,992

Fisher & Paykel Healthcare Corporation Limited
Notes to the Accounts

	Unaudited 30 September 2013	Audited 31 March 2014	Unaudited 30 September 2014
	NZ\$000	NZ\$000	NZ\$000
7. INTEREST-BEARING LIABILITIES			
CURRENT			
Bank overdrafts	19,791	14,199	15,508
Borrowings	-	31,587	1,618
	<u>19,791</u>	<u>45,786</u>	<u>17,126</u>
NON-CURRENT			
Borrowings	126,012	63,570	81,306
	<u>126,012</u>	<u>63,570</u>	<u>81,306</u>
8. DEFERRED TAX ASSET/LIABILITY			
OPENING BALANCE			
Deferred tax asset	11,647	11,647	14,671
Deferred tax liability	(23,127)	(23,127)	(21,033)
	<u>(11,480)</u>	<u>(11,480)</u>	<u>(6,362)</u>
MOVEMENTS			
Credited / (charged) to the Income Statement	2,635	1,295	4,282
Credited / (charged) to Other Comprehensive Income	2,928	3,823	7,988
	<u>5,563</u>	<u>5,118</u>	<u>12,270</u>
CLOSING BALANCE			
Deferred tax asset	14,261	14,671	19,155
Deferred tax liability	(20,178)	(21,033)	(13,247)
	<u>(5,917)</u>	<u>(6,362)</u>	<u>5,908</u>

Fisher & Paykel Healthcare Corporation Limited
Notes to the Accounts

Unaudited 30 September 2013 NZ\$000	Audited 31 March 2014 NZ\$000	Unaudited 30 September 2014 NZ\$000
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9. CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure commitments contracted for but not recognised as at the reporting date:

4,163	3,749	7,991
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10. OPERATING LEASE COMMITMENTS

Gross commitments under non-cancellable operating leases:

Within one year	4,852	4,989	5,235
Between one and two years	3,422	3,318	4,092
Between two and five years	4,258	3,731	4,617
Over five years	1,830	1,348	1,035
	<u>14,362</u>	<u>13,386</u>	<u>14,979</u>

Operating lease commitments relate mainly to occupancy leasing of buildings. There are no renewal options or options to purchase in respect of leases of plant and equipment.

11. CONTINGENT LIABILITIES

Periodically the Group is party to litigation including product liability and patent claims. To date such claims have been few in number and have been expensed or covered by our insurance. The Directors are unaware of the existence of any claim or other contingencies that would have a material impact on the operations of the Group.

12. CASH FLOW RECONCILIATIONS

	Unaudited Six Months Ended 30 September 2013 NZ\$000	Audited Year Ended 31 March 2014 NZ\$000	Unaudited Six Months Ended 30 September 2014 NZ\$000
Profit after tax	44,492	97,053	48,917
Add (deduct) non-cash items:			
Depreciation and writedown of property, plant and equipment to recoverable amount	13,643	26,744	13,917
Cash flow hedge gain from monetised instruments, net of tax	(11,755)	(15,304)	-
Amortisation of intangibles	1,555	3,149	1,754
Accrued financing income / expense	32	(125)	(43)
Movement in provisions	369	510	(359)
Movement in deferred tax asset / liability	(2,635)	(1,295)	(4,282)
Movement in foreign currency option contracts time value	442	96	662
Movement in working capital:			
Trade and other receivables	(3,504)	(12,240)	(4,805)
Inventory	(11,192)	(5,364)	(5,940)
Trade and other payables	(693)	4,811	1,538
Provision for tax net of supplementary dividend paid	3,438	6,897	4,571
Foreign currency translation	(784)	(833)	2,689
Net cash flows from operations	<u>33,408</u>	<u>104,099</u>	<u>58,619</u>

Fisher & Paykel Healthcare Corporation Limited
Notes to the Accounts

13. FINANCIAL INSTRUMENTS

Derivative Financial Instruments

	Unaudited 30 September 2013		Audited 31 March 2014		Unaudited 30 September 2014	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000
CURRENT						
Foreign currency forward exchange contracts	31,536	764	30,687	736	16,194	3,140
Foreign currency option contracts	2,498	59	4,454	1	583	695
Interest rate swaps	165	1,040	191	878	165	997
	34,199	1,863	35,332	1,615	16,942	4,832
NON-CURRENT						
Foreign currency forward exchange contracts	21,263	835	15,815	922	10,388	880
Foreign currency option contracts	1,229	-	1,774	-	139	149
Interest rate swaps	868	3,173	777	2,506	250	2,795
	23,360	4,008	18,366	3,428	10,777	3,824

Contractual amounts of forward exchange and option contracts outstanding were as follows:

	Unaudited 30 September 2013	Audited 31 March 2014	Unaudited 30 September 2014
	NZ\$000	NZ\$000	NZ\$000
Purchase commitments forward exchange contracts	18,405	27,450	27,165
Sale commitments forward exchange contracts	300,191	234,666	288,666
Foreign currency borrowing forward exchange contracts	15,052	8,951	6,082
NZD call option contracts purchased	-	-	-
Collar option contracts - NZD call option purchased (i)	105,365	94,542	79,323
Collar option contracts - NZD call option sold (i)	113,349	102,023	85,405

(i) Foreign currency contractual amounts are equal.

Foreign currency contractual amounts hedged in relation to sale commitments were as follows:

	Foreign Currency		
	Unaudited 30 September 2013	Audited 31 March 2014	Unaudited 30 September 2014
	000s	000s	000s
United States dollars	US\$127,500	US\$84,250	US\$109,500
European Union euros	€65,740	€66,950	€69,750
Australian dollars	A\$10,100	A\$6,500	A\$7,650
British pounds	£9,025	£10,500	£12,750
Canadian dollars	C\$12,850	C\$6,650	C\$10,600
Japanese yen	¥2,350,000	¥2,170,000	¥2,437,500
Chinese yuan	¥26,500	¥25,000	¥32,500
Korean won	₩2,503,425	₩1,632,738	₩2,092,613
Swedish kronor	kr5,500	kr0	kr6,000

During the 2010 and 2012 financial year forward exchange contracts with foreign currency contractual amounts totalling US\$100 million were monetised (closed out) with the NZ dollar benefit of \$56,077,000 (\$39,739,000 after tax) held within Cash Flow Hedge Reserve - Realised, on the Balance Sheet. The benefit remained within Cash Flow Hedge Reserve - Realised, until the original forecast transactions occurred relating to the forward exchange contracts monetised.

During the first half of the 2014 financial year a benefit of \$16,343,000, or \$11,755,000 after tax, was released to the Income Statement and included as part of the foreign exchange gain on hedged sales within revenue.

A further benefit of \$4,947,000 (\$3,549,000 after tax) was released to the Income Statement in the second half of the 2014 financial year.

Foreign currency contractual amounts hedged in relation to purchase commitments were as follows:

	Foreign Currency		
	Unaudited 30 September 2013 000s	Audited 31 March 2014 000s	Unaudited 30 September 2014 000s
Mexican pesos	Mex\$189,049	Mex\$293,000	Mex\$290,000

Contractual amounts of interest rate derivative contracts outstanding were as follows:

	Unaudited 30 September 2013 NZ\$000	Audited 31 March 2014 NZ\$000	Unaudited 30 September 2014 NZ\$000
Interest rate swaps	152,244	115,772	126,684

The interest rate swaps have terms of up to 10 years.

Financial instruments are measured at fair value using the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

All the Group's financial instruments have been measured at the fair value measurement hierarchy of level 2 (2014: level 2)

Financial liabilities measured at amortised cost are fair valued using the contractual cashflows. The effects of discounting are generally insignificant.

Derivative liabilities designated in a hedging relationship:

- Foreign currency forward exchange contracts and option contracts have been fair valued using forward exchange rates and option volatilities that are quoted in active markets
- Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. The effects of discounting are generally insignificant.

All financial assets other than derivatives are classified as loans and receivables. All financial liabilities other than derivatives are classified as measured at amortised cost. The fair value of financial assets and liabilities approximates their carrying value.

	Unaudited 30 September 2013 NZ\$000	Audited 31 March 2014 NZ\$000	Unaudited 30 September 2014 NZ\$000
Cash and cash equivalents	6,846	10,438	6,882
Trade and other receivables	85,143	93,363	98,967
Total loans and receivables	91,989	103,801	105,849
Bank overdrafts	19,791	14,199	15,508
Trade and other payables	71,284	76,160	77,088
Borrowings	126,012	95,157	82,924
Financial liabilities measured at amortised cost	217,087	185,516	175,520

14. RELATED PARTY TRANSACTIONS

During the period the Group has not entered into any material contracts involving related parties or directors' interests. No amounts owed by related parties have been written off or forgiven during the period. Apart from directors' fees, key executive remuneration and dividends paid by the Group to its directors, there have been no related party transactions.

15. SEGMENT INFORMATION

The operating segments of the Group have been determined based on the components of the Group that the chief operating decision-maker (CODM) monitors in making decisions about operating matters. These components have been identified on the basis of internal reports that the CODM reviews regularly in order to allocate resources and to assess the performance of the Group. For the purposes of NZ IFRS 8 the CODM is a group comprising the Board of Directors (which includes the Chief Executive Officer), Senior Vice-President - Products and Technology, Senior Vice-President - Sales and Marketing and Chief Financial Officer. This has been determined on the basis that it is this group which determines the allocation of the resources to segments and assesses their performance.

The Group has four operating segments reportable under NZ IFRS 8, as described below, which are the Group's strategic business units or groupings of business units. All other operating segments have been included in 'New Zealand segments'.

The strategic business units all offer the same products, being medical device products and systems for use in respiratory and acute care and the treatment of obstructive sleep apnea. Products are sold in over 120 countries worldwide through the Group's distribution subsidiaries, third party distributors and original equipment manufacturers (OEMs), with these sales being managed geographically from New Zealand and other locations worldwide. It is the management of these worldwide sales relationships that forms the basis for the Group's reportable segments. The following summary describes the operations in each of the Group's reportable segments:

1) *New Zealand*. Includes all activities controlled by entities or employees based in New Zealand, principally research and development, manufacturing, marketing, sales and distribution and administration. The research and development activity relates to New Zealand. The manufacturing activity principally relates to New Zealand, however the Mexico manufacturing activity is also included in this segment as the Mexico facility is ultimately managed by New Zealand-based employees. The sales and distribution activity principally relates to New Zealand, Latin America, Africa, the Middle East and other countries in Asia not included in 4) below. Also included are sales made to countries within Europe and Asia-Pacific where the management of the sale is from New Zealand.

2) *North America*. Includes all activities controlled by entities or employees based in the United States of America and Canada, principally sales, distribution and administration activities.

3) *Europe*. Includes all activities controlled by entities or employees based in the United Kingdom, France, Germany, Sweden and Turkey, principally sales, distribution and administration activities. These sales and distribution hubs also distribute product into neighbouring European countries.

4) *Asia-Pacific*. Includes all activities controlled by entities or employees based in Australia, Japan, India, China, South Korea, Taiwan and Hong Kong, principally sales, distribution and administration activities.

All minor or other activities have been included in the New Zealand segment as they are controlled by New Zealand entities or employees.

There are varying levels of integration between these geographical segments. This integration includes transfers of finished product, principally from New Zealand to other segments, and shared costs. The accounting policies of the reportable segments are the same as described in the audited financial statements for the year ended 31 March 2014.

Information regarding the operations of each reportable segment is included below. Performance is measured based on segment operating profit. Segment profit is used to measure performance as the CODM believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within this industry. Inter-segment pricing is determined on an arm's length basis.

Operating Segments - 30 September 2013 (Unaudited)

	New Zealand NZ\$000	North America NZ\$000	Europe NZ\$000	Asia- Pacific NZ\$000	Eliminations NZ\$000	Total NZ\$000
Sales revenue - external	28,975	113,750	84,012	46,043	-	272,780
Sales revenue - internal	173,906	-	-	-	(173,906)	-
Foreign exchange gain on hedged sales	31,137	-	-	-	-	31,137
Total operating revenue	234,018	113,750	84,012	46,043	(173,906)	303,917
Other income	1,200	-	-	-	-	1,200
Depreciation and amortisation	14,469	159	196	374	-	15,198
Reportable segment operating profit before financing costs	65,750	2,533	7,542	1,395	(10,281)	66,939
Financing income	1,204	-	-	-	(1,166)	38
Financing expense	(3,620)	(883)	(336)	(168)	1,166	(3,841)
Exchange gain on foreign currency borrowings	(543)	-	-	-	-	(543)
Reportable segment assets	582,012	66,865	70,875	32,055	(125,433)	626,374
Reportable segment capital expenditure	17,767	100	201	396	-	18,464

Operating Segments - 30 September 2014 (Unaudited)

	New Zealand NZ\$000	North America NZ\$000	Europe NZ\$000	Asia-Pacific NZ\$000	Eliminations NZ\$000	Total NZ\$000
Sales revenue - external	27,777	128,965	92,349	50,123	-	299,214
Sales revenue - internal	216,406	-	-	-	(216,406)	-
Foreign exchange gain on hedged sales	18,228	-	-	-	-	18,228
Total operating revenue	262,411	128,965	92,349	50,123	(216,406)	317,442
Other income	2,500	-	-	-	-	2,500
Depreciation and amortisation	14,802	173	295	401	-	15,671
Reportable segment operating profit before financing costs	77,651	5,544	3,789	3,606	(17,967)	72,623
Financing income	1,077	-	-	-	(997)	80
Financing expense	(2,983)	(705)	(319)	(149)	997	(3,159)
Exchange gain on foreign currency borrowings	(2,590)	-	(45)	-	-	(2,635)
Reportable segment assets	591,773	81,279	84,007	36,684	(167,908)	625,835
Reportable segment capital expenditure	25,065	54	123	245	-	25,487

Product Segments

The Group's products and systems are for use in respiratory care, acute care and the treatment of obstructive sleep apnea and are sold in over 120 countries worldwide. Revenues are managed on a regional basis, but a split by product group is set out below. Assets are not split by product group. Segment revenue is based on product codes.

Product Group Information

	Unaudited Six Months Ended 30 September 2013 NZ\$000	Unaudited Six Months Ended 30 September 2014 NZ\$000
Respiratory & acute care	164,090	173,693
Obstructive sleep apnea	131,208	138,064
Core products subtotal	295,298	311,757
Distributed and other	8,619	5,685
Total revenue	303,917	317,442

Major Customer

Revenue from one customer of the North America segment (being its distributor to US hospitals) represents approximately \$35.8 million (2014: \$34.1 million) of the Group's total revenues.

16. SUBSEQUENT EVENTS

On 19 November 2014 the directors approved the payment of a fully imputed 2015 interim dividend of \$32,275,898 (5.8 cents per share) to be paid on 19 December 2014.



Independent Review Report

To the shareholders of Fisher & Paykel Healthcare Corporation Limited

Report on the interim Financial Statements

We have reviewed the interim condensed financial statements (“financial statements”) of Fisher & Paykel Healthcare Corporation Limited (the “Company”) and its controlled entities (the “Group”) on pages 9 to 23 which comprise the consolidated balance sheet as at 30 September 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Directors’ Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of these financial statements in accordance with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (“NZ IAS 34”) and for such internal controls as the directors determine are necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 Review of Financial Statements Performed by the Independent Auditor of the Entity (“NZ SRE 2410”). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects, in accordance with the NZ IAS 34. As the auditor of Fisher & Paykel Healthcare Corporation Limited, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand). Accordingly we do not express an audit opinion on those financial statements.

We have no relationship with, or interests in, Fisher & Paykel Healthcare Corporation Limited other than in our capacities as accountants conducting this review, auditors and providers of assurance and advisory services. These services have not impaired our independence as accountants of the Group.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements of Fisher & Paykel Healthcare Corporation Limited are not prepared, in all material respects, in accordance with NZ IAS 34.



Independent Review Report

Fisher & Paykel Healthcare Corporation Limited

Restriction on Distribution or Use

This report is made solely to the Company's shareholders. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders for our review procedures, for this report, or for the conclusion we have formed.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers
19 November 2014

Auckland

Directors' Declaration

Fisher & Paykel Healthcare Corporation Limited

The Directors declare that the consolidated financial statements and notes, set out on pages 9 to 23:

- a. comply with New Zealand Accounting Standards; and
- b. give a true and fair view of the financial position of Fisher & Paykel Healthcare Corporation Limited and its subsidiaries as at 30 September 2014 and of their performance, as represented by the results of their operations and their cash flows for the six months ended on that date.

In the Directors' opinion at the date of this Declaration there are reasonable grounds to believe that Fisher & Paykel Healthcare Corporation Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors.



TONY CARTER

Chairman



MICHAEL DANIELL

Managing Director and
Chief Executive Officer

Dated at Auckland, 19th day of November 2014

OTHER INFORMATION

1.0 NTA backing	Previous corresponding Period 30 September 2013	Current period 30 September 2014
Net tangible asset backing per +ordinary security	NZ\$0.64	NZ\$0.69

2.0 Control gained over entities having material effect

There was no gain of control of entities that would have a material effect on the consolidated financial statements of Fisher & Paykel Healthcare Corporation Limited.

3.0 Loss of control of entities having material effect

There was no loss of control of entities that would have a material effect on the consolidated financial statements of Fisher & Paykel Healthcare Corporation Limited.

4.0 Dividends

4.01 Date the dividend is payable

19 December 2014

4.02 +Record date to determine entitlements to the dividend (distribution) (i.e., on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)

5 December 2014

4.1 Amount per security

		Amount per security	Franked amount per security at % tax	Amount per security of foreign source dividend
4.11	Interim Dividend: Current year	NZ 5.8¢	N/A	N/A
4.12	Previous year	NZ 5.4¢	N/A	N/A

4.2 Interim dividend on all securities

		Previous corresponding Year to 30 September 2013 \$NZ000	Current year to 30 September 2014 \$NZ000
4.21	+Ordinary securities <i>(each class separately)</i>	29,797	32,276
4.22	Preference +securities <i>(each class separately)</i>	N/A	N/A
4.23	Other equity instruments <i>(each class separately)</i>	N/A	N/A
4.24	Total	29,797	32,276

The Company operates a DRP. For the interim dividend a discount will not apply.

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

Per attached NZX Appendix 7.

5.0 Material interests in entities which are not controlled entities

Fisher & Paykel Healthcare Corporation Limited does not have any material interests in entities which are not controlled entities.

6.0 Issued and quoted securities at end of the half-year

6.1 Ordinary Shares

Opening balance 1 April 2014	551,110,270
Issued during the period	5,155,064
Closing balance 30 September 2014	556,265,334

6.2 Share Options

Financial Year of Issue	2010	2011	2012	2013	2014	2015	Total
Opening balance at 1 April 2014	2,773,788	3,216,604	3,981,014	3,620,550	2,159,230	-	15,751,186
Granted during the year	-	-	-	-	-	1,534,890	1,534,890
Lapsed during the year	(22,666)	(23,668)	(49,334)	(55,000)	(43,130)	(1,540)	(195,338)
Exercised/ cancelled during the year	(2,751,122)	(1,494,563)	(473,883)	-	-	-	(4,719,568)
Closing balance at 30 September 2014	-	1,698,373	3,457,797	3,565,550	2,116,100	1,533,350	12,371,170

2010 issue	- expiry date September 2014
	- exercise prices of \$3.68, \$3.88 and \$4.09
2011 issue	- expiry date September 2015
	- exercise prices of \$3.21, \$3.37 and \$3.53
2012 issue	- expiry date September 2016
	- exercise prices of \$2.29 and \$2.36, further exercise price based on cost of capital calculation
2013 issue	- expiry date August 2017
	- exercise price of \$2.06
2014 issue	- expiry date September 2018
	- exercise price of \$3.57
2015 issue	- expiry date August 2019
	- exercise price \$4.88

6.3 Performance Share Rights

Financial Year of Issue	2013	2014	2015	Total
Opening balance at 1 April 2014	585,540	579,230	-	1,164,770
Granted during the year	-		585,990	585,990
Lapsed during the year	(10,700)	(13,100)	(600)	(22,000)
Exercised during the year		-	-	-
Closing balance at 30 September 2014	574,840	566,130	585,390	1,726,360

Directors' Details

The directors of Fisher & Paykel Healthcare Corporation Limited at any time during the six months ended 30 September 2014 or since the end of the half are as follows:

Antony John Carter	Chairman, Non-Executive, Independent
Michael Grenfell Daniell	Managing Director and Chief Executive Officer
George Roger Wayne France	Non-Executive, Independent
William Lindsay Gillanders	Non-Executive, Independent
Dr Arthur James Morris	Non-Executive, Independent
Donal Paul O'Dwyer	Non-Executive, Independent
Geraldine Celia McBride	Non-Executive, Independent

During the six months to 30 September 2014:

- At the Annual Meeting of Shareholders on 20 August 2014 Mr Tony Carter offered himself for election to the Board and was elected.
- At the Annual Meeting of Shareholders on 20 August 2014 Mr Lindsay Gillanders offered himself for election to the Board and was elected.

Notice of event affecting securities

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10.
For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one
(Please provide any other relevant
details on additional pages)

Full name of Issuer **Fisher & Paykel Healthcare Corporation Limited**

Name of officer authorised to make this notice **Antony G. Barclay** Authority for event, e.g. Directors' resolution **Directors' Resolution**

Contact phone number **(09) 574 0119** Contact fax number **(09) 574 0176** Date **19 / 11 / 2014**

Nature of event
Tick as appropriate

Bonus Issue <input type="checkbox"/>	If ticked, state whether: Capital change <input type="checkbox"/> Call <input type="checkbox"/>	Taxable Dividend <input checked="" type="checkbox"/>	/ Non Taxable <input type="checkbox"/>	Conversion <input type="checkbox"/>	Interest <input type="checkbox"/>	Rights Issue Renounceable <input type="checkbox"/>
Rights Issue non-renounceable <input type="checkbox"/>		If ticked, state whether: Interim <input checked="" type="checkbox"/> Full Year <input type="checkbox"/>		Special <input type="checkbox"/>		DRP Applies <input checked="" type="checkbox"/>

EXISTING securities affected by this *If more than one security is affected by the event, use a separate form.*

Description of the class of securities **Ordinary Shares** ISIN **NZFAPE0001S2**
If unknown, contact NZX

Details of securities issued pursuant to this event *If more than one class of security is to be issued, use a separate form for each class.*

Description of the class of securities ISIN
If unknown, contact NZX

Number of Securities to be issued following event Minimum Entitlement Ratio, e.g. ① for ② for

Conversion, Maturity, Call Payable or Exercise Date Treatment of Fractions

Strike price per security for any issue in lieu or date Strike Price available. Tick if *pari passu* ☐ OR provide an explanation of the ranking

Monies Associated with Event*Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.*

<i>In dollars and cents</i>		Source of Payment	Revenue Reserves
Amount per security (does not include any excluded income)	5.8 cents/share		
Excluded income per security (only applicable to listed PIEs)			
Currency	New Zealand Dollars	Supplementary dividend details - NZSX Listing Rule 7.12.7	Amount per security in dollars and cents 1.023529 cents/share
Total monies	\$32,275,898	Date Payable	19 December, 2014

Taxation*Amount per Security in Dollars and cents to six decimal places*

In the case of a taxable bonus issue state strike price	\$	Resident Withholding Tax	0.402778 cents/share	Imputation Credits (Give details)	2.255556 cents/share
		Foreign Withholding Tax	\$	FWP Credits (Give details)	

Timing*(Refer Appendix 8 in the NZSX Listing Rules)***Record Date 5pm***For calculation of entitlements -***5 December, 2014****Application Date**

Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.

19 December, 2014**Notice Date**

Entitlement letters, call notices, conversion notices mailed

Allotment Date

For the issue of new securities. Must be within 5 business days of application closing date.

OFFICE USE ONLY

Ex Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

Security Code:

Security Code:

