Fisher & Paykel Appliances Holdings Limited

FPA Stock Exchange Release ASX/NZX 25 March 2009

35 Hour Working Week Agreement

Fisher & Paykel Appliances has negotiated with its Auckland refrigeration assembly workforce and the Engineering, Printing and Manufacturing Union, to a temporary 35 hour working week arrangement, running from April through until September. The 6 month arrangement will prevent what would have been approximately 60 redundancies.

Under the agreement, employees will work a 35 hour week. This will be supplemented with an additional 3.5 hours pay, consisting of the Government nineday working fortnight scheme and an equivalent Company contribution. The remaining 1.5 hours per week may be taken as paid leave to ensure continuity of wage levels. As part of the scheme, employees will attend a Company funded inhouse up-skilling training programme for 3.5 hours each fortnight.

EPMU national secretary Andrew Little says the key to the arrangement was making sure workers received an employer top-up.

"As we said from the outset, to make the nine day fortnight work we need employers to top it up and Fisher & Paykel Appliances have come to the table on that. It shows how important it is for employers and unions to work together in the face of the recession."

John Bongard CEO and Managing Director reiterated the situation. "These are exceptional times and it is tremendous to see all parties working together to come to a satisfactory solution. This situation has come about by the recent decline of global demand, combined with entering our traditional off peak manufacturing winter season. With the Government nine-day fortnight subsidy, assistance from our employees and the EPMU, along with a contribution from the Company, we are able to retain the current staffing levels and avoid immediate redundancies."

The arrangement will be reviewed regularly and in the case of required increased demand, the flexibility of the scheme allows the Company to return to normal working hours.

John Bougard.

John Bongard Managing Director and CEO

Contacts: John Bongard; FPA Andrew Little; EPMU Paul Brockett; FPA

Telephone +64 9 2730600 Telephone 027 551 3476 Telephone +64 9 2730600