Fisher & Paykel Appliances Holdings Ltd 78 Springs Road, East Tamaki Auckland 2013, New Zealand PO Box 58546, Botany Auckland 2163, New Zealand

12 October 2012

Dear Shareholder

We understand that Haier has again written to shareholders - asserting that you should accept Haier's offer for your shares in Fisher & Paykel Appliances at \$1.20 per share.

Your Independent Directors continue to unanimously recommend that you <u>do not</u> <u>accept</u> Haier's offer as we believe that it does not adequately reflect the value of Fisher & Paykel Appliances.

In the Independent Adviser's Report (which was sent to you last week), the valuation range for your shares was \$1.28 to \$1.57 per share. On the basis of the material provided to the Takeovers Panel, Grant Samuel satisfied the Takeovers Panel that it is independent for the purposes of preparing its report. Grant Samuel has confirmed that it has no conflict of interest and Fisher & Paykel Appliances believes that Grant Samuel brings an unbiased view to the valuation of the company. Grant Samuel, who prepared this report for shareholders, is widely acknowledged as a market leader in the preparation of independent adviser reports in New Zealand. Since 1988, Grant Samuel and its related companies have prepared more than 400 independent advisers reports, public expert reports and appraisal reports across New Zealand and Australia.

As we noted in our letter to you last week, the Independent Directors formed our recommendation to you **not to accept Haier's offer** for your shares after considering a full range of expert advice available to them.

Our recommendation remains unchanged.

Fisher & Paykel Appliances is in a strong financial position and, as we said previously, we have confidence in the strategic direction of the company.

Shareholders will need to consider Haier's offer in the context of their own circumstances, and should consult their own professional adviser.

If you have any questions please call us on 0800 372 273 (if calling within New Zealand) or 1300 650 590 (if calling within Australia) between 9.00am and 5.00pm Monday to Friday.

The Independent Directors will continue, as appropriate, to advise shareholders of any new information or changes in circumstances that they consider to be relevant to Haier's offer.

Yours faithfully

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Keith Turner Chairman Fisher & Paykel Appliances Holdings Limited