FISHER & PAYKEL APPLIANCES HOLDINGS LIMITED

FY12 INTERIM RESULT

SIX MONTH PERIOD ENDED 30 SEPTEMBER 2011

25 NOVEMBER 2011

Fisher&Paykel

GROUP RESULT

GROUP HIGHLIGHTS

- **Appliances – result impacted by transactional hedging losses**
  - **Operating Revenue down 7% to $441m ($476m pcp)**
    - Improved price/mix offset by lower volumes and unfavourable FX translation
    - Result reflects increased Australian and ROW revenues; lower U.S. revenues (rebalancing for profitable sales), soft retail conditions in New Zealand and lower technology and component revenues
  - **Gross margin % up 2.5% from 29.2% to 31.8% on pcp (30.3% for FY11)**
    - Gross Margin up $0.9m at $140.0m ($139.1m on pcp)
    - Higher raw materials & freight costs offset by improved mix, lower warranty and favourable FX translation
  - **Normalised EBIT loss of $2.4m (versus EBIT of $6.8m pcp)**
    - Lower overheads – cost savings offset increased lease costs and favourable FX translation
    - Result negatively impacted by transactional hedging losses of $20.3m
  - **New motor supply agreement announced at the ASM in August 2011**
    - Earnings from Q2 FY13

GROUP HIGHLIGHTS

- **Finance Business – continued strong performance**
  - Normalised EBIT down $0.5m to $18.4m ($18.9m) – Steady net income steady and lower bad debt expenses offset increased cost of funds (retail debentures & bank) and operating costs (Q card promotion and rebranding)
  - Net receivables declined by 2% to $589m ($601m in March 2011) – new receivables growth offset the loss of a major account
  - Sufficient funding in place beyond the expiry of the Crown Deposit Guarantee Scheme on 31 December 2011 with wholesale banking facilities and liquid funds cover equal to 1.6x of retail debentures
  - Retained Standard & Poor's long term issuer credit rating of 'BB' Outlook Stable

- **Group – strengthening balance sheet**
  - Reported Net Profit: $0.98m (versus $11.3m on pcp).
  - One-off items of $8.5m
    - Onerous lease of $2.5m (Appliances business)
    - Litigation Costs (legal costs and provision) of $5.9m (Finance business)
  - Net debt: $94m – down from $100m as at 31 March 2011
  - Cashflow from operations, including the movement in Finance loans, was $55m ($69m on pcp)

GROUP RESULTS

- Reported Net Profit after Tax $0.98m ($11.3m on pcp)
- One-off abnormal items: Onerous lease (U.S. property) and litigation costs (credit management system software)
- Interest costs down 40% on pcp as a result of lower debt levels
- Reported earnings per share was 0.1 cents (1.7 cents pcp)

NZ$000's	**1H FY12 6 months**	1H FY11 6 months	Change	**FY11 12 months**
Total Revenue	514,441	549,886	(6.4%)	1,120,943
Normalised EBITDA	**36,087**	**46,337**	**(22.1%)**	**99,290**
Depreciation & Amortisation	20,094	20,625	(2.6%)	40,893
Normalised EBIT	**15,993**	**25,712**	**(37.8%)**	**58,397**
Fair Valuation of Non-Current Assets Held for Sale	-	-		(500)
Onerous Leases	(2,547)	-		(882)
Litigation Costs	(5,917)	-		-
Profit on Sale of Land & Buildings	-	-		6,508
Earnings before Interest and Tax	**7,529**	**25,712**	**(70.7%)**	**63,523**
Interest (excluding Finance Operating Interest)	(5,443)	(9,034)	(39.7%)	(15,403)
Taxation Expense	(1,110)	(5,380)	(79.4%)	(14,575)
Reported Profit after Tax	**976**	**11,298**	**(91.4%)**	**33,545**
Normalised Profit after Tax	**6,892**	**11,298**	**(39.0%)**	**30,040**
Reported Earnings per Share (cents)	**0.1**	**1.7**		**4.6**
Dividends per Share (cents)	-	-		-

Fisher&Paykel

SEGMENT RESULTS

- Segment result reflects a strong contribution from the Finance Business
- Group EBITDA reflects the lower result from Appliances as a result of transactional hedging losses

NZ$000's	**1H FY12 6 months**	1H FY11 6 months	Change	**FY11 12 months**
Total Revenue[1]				
- Appliances	443,160	477,751	(7.2%)	975,426
- Finance	71,281	72,135	(1.2%)	145,517
	514,441	**549,886**	**(6.4%)**	**1,120,943**
Normalised EBITDA				
- Appliances	13,044	23,278	(44.0%)	56,225
- Finance	23,043	23,059	(0.1%)	43,065
	36,087	**46,337**	**(22.1%)**	**99,290**
Normalised EBIT				
- Appliances	(2,374)	6,776	(135.0%)	23,675
- Finance	18,367	18,936	(3.0%)	34,722
	15,993	**25,712**	**(37.8%)**	**58,397**

(1) Includes other income apportioned between Appliances and Finance

STRONG FREE CASHFLOW

- Operational cash flow, including operating borrowing for the Finance business, was $55m ($69m in 1H FY11)
- Free cashflow declined to $7.6m ($34.7m in 1H FY11)

NZ$000's	**1H FY12 6 months**	1H FY11 6 months	**FY11 12 months**
Net Earnings	**976**	**11,298**	**33,545**
Depreciation and Amortisation	20,094	20,625	40,893
Working Capital	48,656	43,510	41,953
Other	(14,314)	(6,049)	(10,230)
Cash provided by Operations	**55,412**	**69,384**	**106,161**
Capital Expenditure	(24,215)	(11,423)	(28,341)
Other Investing(1)	(12,258)	(12,142)	16,916
Financing Cash Flow – Appliances(2)	8,866	(38,132)	(89,733)
Financing Cash Flow – Finance	(20,220)	27,335	24,955
Other Financing	2	(279)	(344)
Free Cash Flow	**7,587**	**34,743**	**29,614**

(1) Includes instalment payments for Mexico operations
(2) Includes Bank debt repayments and sale of property assets

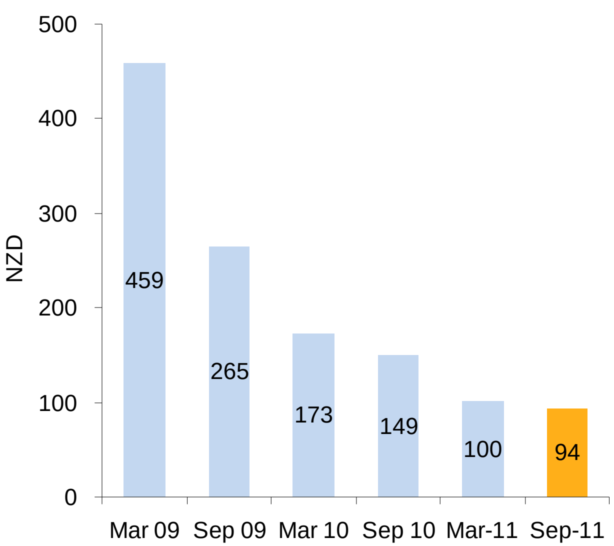
FINANCIAL POSITION

- Net debt[1] as at 30 September 2011 was $94m – down $6m from $100m (as at 31 March 2011)

- Property sales update
  - East Tamaki (Lot 2), Auckland:
    - Recycling building sold for $2.25m (remaining cash proceeds of $2.0m expected in December 2011 post title transfer)
  - Marketing continues for the three remaining titles (market value c.$15m)

- The Group remains in compliance with all banking ratios

GROUP[1] NET BANK DEBT



(1) For the Guaranteeing Group – includes Appliances earnings and dividends and interest from the Finance Group

NEW BANKING FACILITIES SIGNED

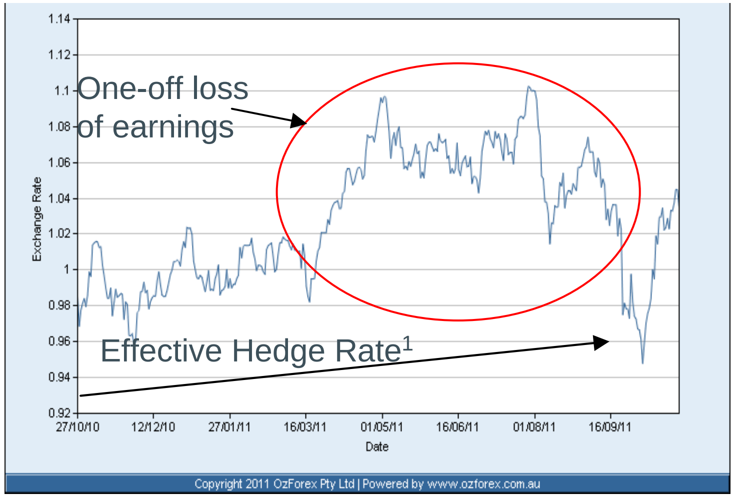
- On 11th November the Company renewed its Guaranteeing Group[(1)] banking facilities on materially similar terms and conditions as its previous debt facilities. Key features:
  - **Term**: 3 years ~ expires 30 September 2014
  - **Total facilities**: $250 million
    - includes a $50m working capital facility and a $27m Amortising Facility
  - **Amortising Facility**: to fund capital expenditure associated with the recently announced component and technology supply contracts:
    - schedule of minimum repayments[(2)] to commence 30 September 2012
    - cashflow sweep equal to 50% of free cashflow generated from the two specific Component and Technology Supply Contracts, above the minimum repayment amounts
  - **Banking covenants:** current Guaranteeing Group ratios and threshold are maintained with an Appliances EBITDA specific ratio added:
    - i. Interest Cover – greater than 3.0x EBITDA
    - ii. Leverage Ratio – less than 3.0x
    - iii. Interest Cover (Appliances only) – Appliances Normalised EBITDA to Total Interest greater than 2.0x
  - **Capex:** The maximum capital expenditure constraint has been removed
    - previous facility capped FY12 capital expenditure to NZ$44m
  - **Dividends**: Dividends payments are permitted up to the amount of Group Net Profit After Tax in any period unless bank consent is obtained

(1) For the Guaranteeing Group – includes Appliances earnings and dividends and interest from the Finance Group
(2) Refer to Note 7 of the FY12 Interim Report for a detailed schedule of repayments

APPLIANCES – RESULT IMPACTED BY HEDGING LOSSES

- **Hedging losses negatively impact first half result**
  - Rapid appreciation of the AUD/USD coupled with a long hedging profile meant business did not fully benefit from the currency uplift
    - Effective AUD/USD average hedge rate of 0.92 versus average spot of 1.06
  - Resulted in a one-off loss of earnings
  - Total transactional hedging losses for the period were $20.3m

AUD / USD CROSS RATES (LAST TWELVE MONTHS)



(1) Illustrative only

- **Change in hedging policy**
  - As announced at the ASM in August 2011
  - Shorter duration hedging profile adopted since March

- **Impact under the new hedging policy**
  - Theoretical first half losses under the new hedging policy would have been $8.3m, representing missed earnings potential of $12.0m ($20.3m less $8.3m)
  - Implies a theoretical normalised 1H FY12 EBIT of $9.6m

APPLIANCES’ BUSINESS

APPLIANCES – FY12 INTERIM HIGHLIGHTS

- Revenue fell by 7%
- Gross margin (%) was up 2.5% from 29.2% to 31.8% (30.3% for FY11)
  - Gross margin was up $0.9m to $140.0m – lower warranty and favourable FX translation offset higher material prices
- Overheads favourably lower due to cost reductions (in particular the U.S.) and favourable FX translation
- EBITDA was negatively impacted by transactional hedging losses – $20.3m

NZ$000's	**1H FY12 6 months**	1H FY11 6 months	Change	**FY11 12 months**
Operating Revenue	**440,846**	476,034	(7%)	**965,053**
Gross Margin	**140,016**	139,076	1%	**291,935**
Selling, General and Administration	(108,941)	(116,597)	(7%)	(225,598)
Net Foreign Exchange Gains / (Losses)	(20,345)	(918)		(14,185)
Other Income	2,314	1,717	35%	4,073
Normalised EBITDA	**13,044**	23,278	(44%)	**56,225**
Normalised EBIT	**(2,374)**	6,776		**23,675**
Key Metrics				
Gross Margin %	***31.8%***	*29.2%*		**30.3%**
EBITDA Margin %	***3.0%***	*4.9%*		**5.8%**
EBIT Margin %	***(0.5%)***	*1.4%*		**2.5%**
Return on Invested Capital(1)	***3.6%***	*6.7%*		**5.6%**

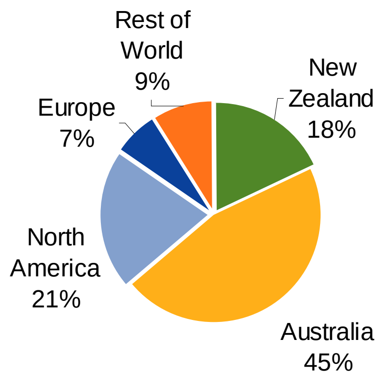
(1) Normalised EBIT (last 12 months) divided by Capital Employed less non-interest bearing liabilities – see appendix for details

APPLIANCES – REVENUE (NZD)

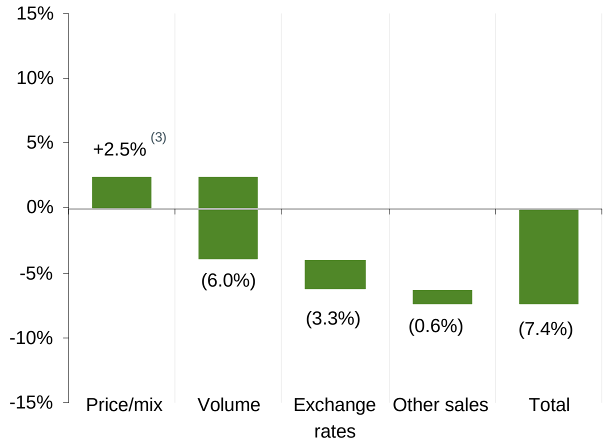
- Appliances sales down 7% on pcp (in NZD terms)
  - Australian and ROW revenues increased
  - Overall improved price/mix was offset by lower volumes (notably the U.S., Europe and Singapore) and largely unfavourable FX translation
- Operating revenue was also down 7.4% on pcp

NZ$000's	1H FY12 6 months	1H FY11 6 months	Change %	Change	FY11 12 months
- New Zealand	78,177	81,275	(4%)	(3,098)	162,429
- Australia	195,988	186,826	4.9%	9,162	419,035
- North America	89,884	124,519	(28%)	(34,635)	207,883
- Europe	29,307	37,660	(22%)	(8,353)	81,330
- Rest of World	37,932	33,386	14%	4,546	69,505
Appliances Sales(1)	**431,288**	**463,666**	**(7.0%)**	**(32,378)**	**940,182**
- Other Sales	3,406	6,472	(47%)	(3,066)	12,217
- Sales of Service(2)	6,152	5,896	4%	256	12,654
Operating Revenue	**440,846**	**476,034**	**(7.4%)**	**(35,188)**	**965,053**
- Gain or Loss on Sale	(80)	0	nm	(80)	6,300
- Other Income	2,394	1,717	39%	677	4,073
Appliances Revenue	**443,160**	**477,751**	**(7.2%)**	**(34,591)**	**975,426**

GEOGRAPHIC REVENUE SPLIT – 1H FY12



OPERATING REVENUE BRIDGE
1H FY11 TO 1H FY12



(1) Includes sales of finished goods including spare parts
(2) Sales of services in Australia and New Zealand only
(3) Price/mix includes changes in sales of service

APPLIANCES – KEY COST DRIVERS

- Key Cost drivers relative to the previous corresponding period (1H FY11)

	POSITIVES	NEGATIVES
COST OF GOODS SOLD	• Warranty costs	• Oil based materials
	• FX translation	• Ferrous based materials
		• Freight
OVERHEADS	• FX translation	• Labour costs
	• North America overheads	• Lease costs (Cleveland, Australia - $1.8m per annum)
CURRENCY HEDGING		• Transactional Hedging Losses ($20.3m)

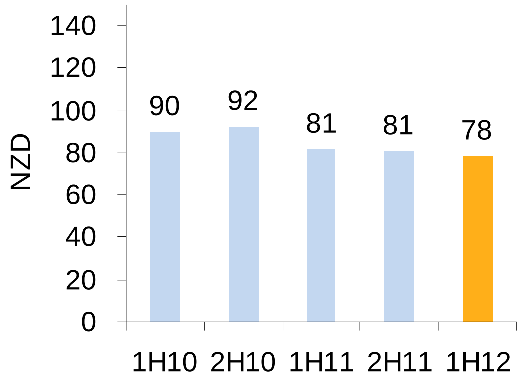
MARKETS – NEW ZEALAND

- **Challenging market conditions**
  - The Appliances market was down 3.5%[1] on pcp
  - Trading notably declined sharply from the end of July 2011
  - Lower sales recorded through the Rugby World Cup period
  - Intense competition with some price reductions due to the strength of the NZD

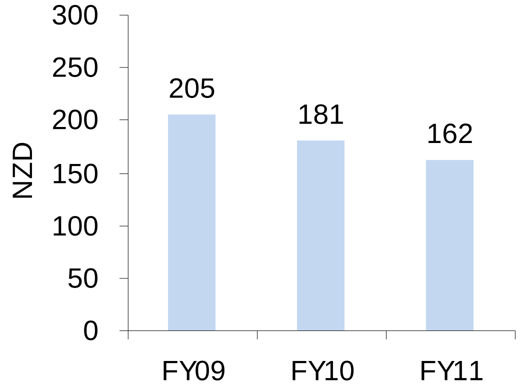
- **Revenue down 3.8% on pcp in NZD**
  - F&P volumes flat on pcp and market share improved
  - F&P brand revenues were down on unfavourable mix changes
  - Spare parts sales reduced due to improving product quality
  - Haier sales increased on pcp (albeit off a low base)

- **Distribution**
  - Transition to non-EDA now fully complete
  - Continue to support retail channels and implement new product displays

REVENUE – HALF YEAR



REVENUE – FULL YEAR



Note: Revenue includes Appliances and Services but excludes other revenue

(1) Source: Import Statistics and Company data (rolling 12 month basis)

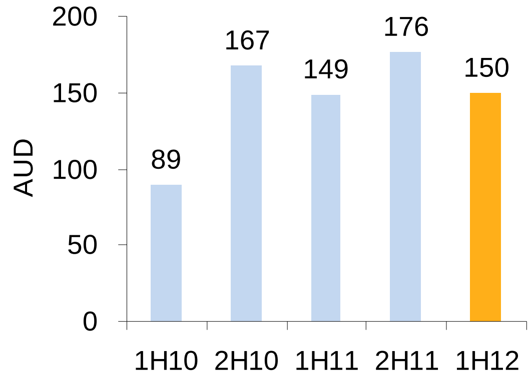
MARKETS – AUSTRALIA

- **Intense market competition**
    - Overall the market increased by 1.2% (units) on pcp [1], however slowed markedly from late July (the market was down 4% from Q1 to Q2)
    - Declining consumer confidence has impacted retail sales
    - Intense competitor activity with price decreases on the back of a stronger AUD

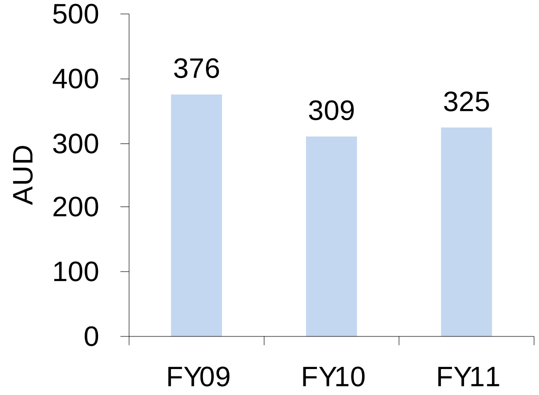
- **Revenue up 1.3% on pcp in AUD (up 4.9% in NZD)**
    - F&P brand market share (units) up on pcp
    - F&P brand revenues held flat, with volume growth partially offset by price reductions due to the strength of the AUD
    - Haier revenues increased (off a low base in 1H FY11)
    - Spare parts sales down due to quality improvements
    - New laundry products launched in July

- **Haier distribution**
    - Focus on expanding channels

REVENUE – HALF YEAR



REVENUE – FULL YEAR



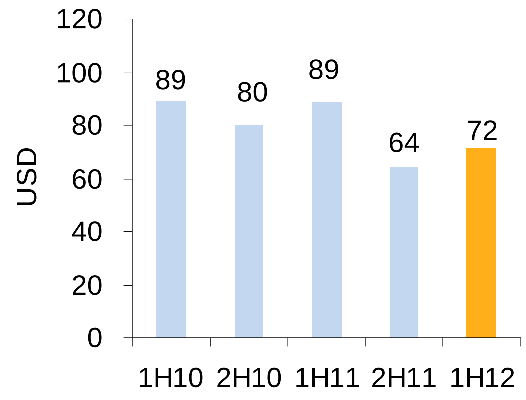
Note: Revenue includes Appliances and Spares but excludes services and other revenue

(1) Source: Infomark rolling 12 months change 1H 12 versus 1H 11

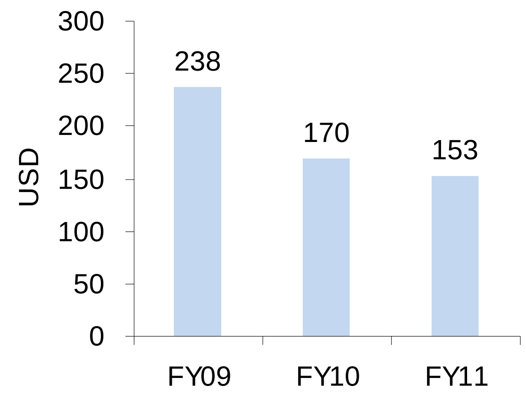
MARKETS – NORTH AMERICA

- **Market conditions remain challenging**
  - The U.S. market decreased by 4.8% on pcp[(1)], in part due to the absence of Government Stimulus versus Q1 FY11
  - The Canadian market was down 1.5%
  - Fears of U.S. double dip recession and European debt crisis negatively impacted consumer confidence
  - Major competitors have put through price increases April / August due to higher raw material costs (more signalled for January 2012)
- **USD revenue down 19.2% in USD**
  - Lower F&P volumes offset by improved product mix
  - DCS sales lower due to delays in launching the United product range
  - Selected price increases in May / June 2011
  - Continued focus on rebalancing for profitable sales
  - Lower component and technology sales in North America
- **North America profitable on a segment reporting basis**
  - 1H FY11 operating profit of NZ$0.9m versus a loss of NZ$3.9m (pcp)

REVENUE – HALF YEAR



REVENUE – FULL YEAR

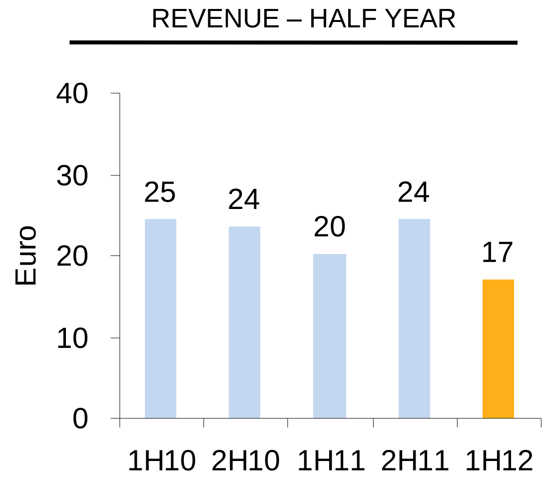


Note: Revenue includes Appliances and Spares but excludes services and other revenue

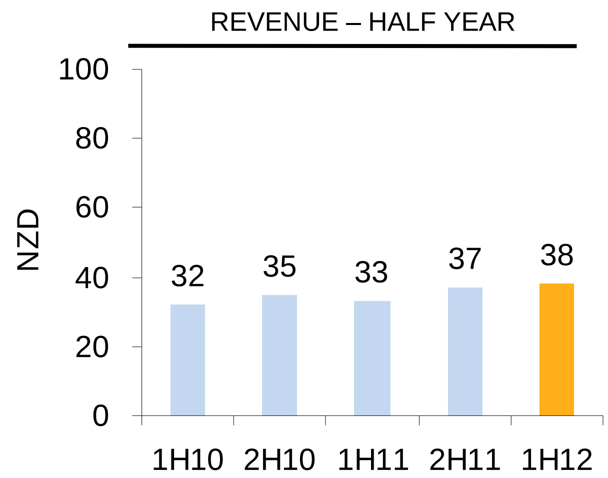
(1) Source: Association of Home Appliances Manufacturers (AHAM)

MARKETS – INTERNATIONAL

- **Europe**
  - Difficult market conditions continue in Ireland and the UK
  - Revenues down 15.3% on pcp on lower volumes
  - Result negatively impacted by FX translation



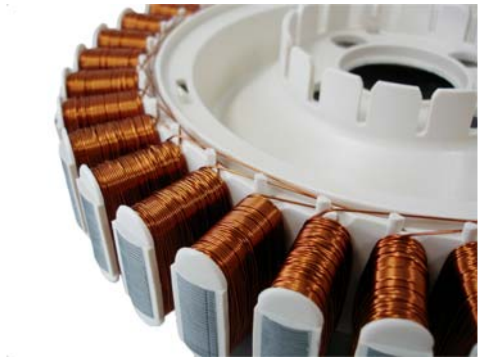
- **Rest of World**
  - Revenue up 13.6% on pcp – price increases and volume growth offset by unfavourable FX translation
  - Further price increases implemented
  - Sales commenced in India
  - Singapore sales impacted due to F&P ceasing distribution of the Whirlpool brand on 1 April 2011



Note: Revenue includes Appliances and Spares but excludes services and other revenue

HAIER PARTNERSHIP UPDATE

- **Components & Technology Supply Agreement**
  - Plant commissioning work is progressing well
  - Capital expenditure ~NZ$18m (plus NZ$5 – 7m net working capital)
  - Revenues ~ NZ$20m - $35m per annum
  - First orders to be shipped in Q1 – Q2 FY13



- **Distribution of Haier products in Australia and New Zealand**
  - Sales growing in both regions
  - Expanding distribution footprint in Australia

- **Fisher & Paykel Brand in China – progress**
  - Full FPA product line-up on track to be completed by December 2011
  - Third major commercial contract signed for delivery in FY13
  - A second Experience Centre opened in the northern city of Changchun in September 2011

CHANGCHUN - CONCEPT

APPLIANCES – CAPEX & WORKING CAPITAL

- **Capital Expenditure**
  - 1H FY12 capital expenditure was $23m ($9.6m pcp)
    - Includes Haier motor contract and new product development
  - FY12 outlook unchanged from ASM – capital expenditure c. NZ$53m

- **Net working capital**
  - Significant inventory reduction on a balance sheet basis ($44m on pcp ; $41m since 31 March 2011)
    - Further supply chain improvements
    - Favourable FX translation and lower sales
  - Trade debtors down on improved aging and timing of sales
  - Creditors down due to timing of purchases

NZ$000's	1H FY12	1H FY11	Change	Change %	FY11
Working Capital					
- Inventory	177,313	220,900	(43,587)	(20%)	195,108
- Debtors & Other	116,743	121,775	(5,032)	(4%)	140,547
- Creditors	(98,622)	(109,543)	(10,921)	(10%)	(99,141)
Net Working Capital	**195,434**	**233,132**	**(37,698)**	**(16%)**	**236,514**

APPLIANCES – KEY THEMES AND OBJECTIVES

Five Main Things	
DELIVERING CUSTOMER BENEFITS	• Customer focused, differentiated products • Brand experience • Product Innovation • Focus on quality • Environmental
DISCIPLINED MARKET GROWTH	• Key markets – NZ, Australia, North America • Growth – Asia (including China and India) • Rest of World – profitable growth • Alliances – Haier, Whirlpool and others • Leverage technology & component expertise to diversify earnings
BUSINESS EXCELLENCE	• Organisational excellence framework • Structures and systems
ORGANISATIONAL CAPABILITY	• People • Leadership • Talent management
COST REDUCTION	• Consolidate manufacturing cost position • Ongoing review of manufacturing facilities • “Delivering Profitable Growth” program • Lean thinking – raw materials and overheads

Success Factors

- Revenue Growth
- EBIT Margin %
- ROIC %
- Share Price & Dividends

APPLIANCES SHORT–TERM AGENDA

	UPDATE	STATUS
REDUCE DEBT LEVELS	• Net debt peaked at $502m (May 2009) • Current net debt is $94m	✓
COMPONENTS & TECHNOLOGY	• Grow technology and component business to diversify revenue and earnings • Three major contracts signed; active programme to build this business	✓
NEW PRODUCT DEVELOPMENT	• Execute new product delivery programme • Strong pipeline of new products for FY12 and FY13	✓
PRODUCT QUALITY	• Investment in systems and structures • Significant reductions in the cost of warranty claims	**PROGRESS**
BRAND REINVESTMENT	• Global brand positioning project ongoing • Developing a unified and consistent global branding message	**PROGRESS**
IMPROVE NORTH AMERICAN PROFITABILITY	• Segment operating result improved • 1H FY12 ~ NZ$0.9m (loss of NZ$3.9m on pcp) • U.S. distribution focused on delivering profitable sales	**PROGRESS**
OTHER	• Haier relationship continues to develop • Governance: Director succession continues	**PROGRESS**

COMPONENTS AND TECHNOLOGY – DIRECT DRIVE MOTORS

- **Opportunity to grow revenues and diversify earnings**
  - Opportunity to leverage our 21 year plus experience in developing and integrating world leading direct drive technology to further diversify revenues and earnings
  - Fisher & Paykel invented the first direct drive motor for a washing machine in the early 1990's
  - Builds upon Fisher & Paykel's heritage of genuine technology innovation in sub systems, enabling technologies, application integration and manufacturing equipment
- **Building scale and momentum**
  - Our aim is to be the leading supplier of direct drive motor technology to the global appliances industry
  - Three contracts signed with major appliances manufacturers to date, including Whirlpool and Haier
  - Active program to market to major appliance manufacturers, including a website promoting our capabilities and explaining direct drive technology – http://www.fisherpaykel.com/direct-drive-motors

COMPONENTS AND TECHNOLOGY – DIRECT DRIVE MOTORS

- **Appliance industry is turning to direct drive motors**
  - Industry increasingly focused on delivering benefits of energy and water efficiency to consumers
  - FPA uniquely positioned given our 20 year plus heritage in direct drive motors
  - Strong competitive advantage in the development, integration and manufacture of direct drive motors

- **New component and technology agreement signed in August 2011**
  - As announced at the ASM, a new technology supply agreement has been signed with a major appliances manufacturer for a minimum contract period of four years
  - Capital cost is $10m with antipicated revenues of between $16 - $23m per annum
  - The plant is expected to be production capable in Q2 FY13

- **Powered by Fisher & Paykel "Smart Drive^{TM}"**
  - Used in Fisher & Paykel washing machines
  - 10 year direct drive motor warranty on eligible models

POWERED BY SMARTDRIVE

10 Year Direct Drive Motor Warranty

Warranty 10 Year

NEW PRODUCT DEVELOPMENT

- Significant investment in new product development is starting to deliver. Selected examples include …

Washing Machines – Aus & NZ – June 2011

Gas on Glass Cooktop – March 2012

Companion Products – December 2011

Phase 7 – DishDrawer Dishwasher – December 2011

NEW PRODUCT DEVELOPMENT

- The new product pipeline in the next 12 – 24 months is strong, with releases in refrigeration, cooking and laundry

GLOBAL BRAND POSITIONING – CONSISTENT MESSAGE

- It is important that Fisher & Paykel remains a strong and appealing brand
- Significant progress has been made on delivering a unified and consistent global brand message
- Brand unification will cover all aspects including consistent product showroom displays, events and point of sale

PRODUCT QUALITY

- **Investment in quality systems and process is starting to deliver**
  - Product quality over the product life cycle is an important touch point for our customers
  - We have invested heavily in processes and systems to ensure we are best in class through the design, manufacture and after sales service of our products
  - Warranty costs were reduced by $6 million in FY11 and a further $1.7m in 1H FY12

- **J.D. Power Consumer Survey in the U.S. rates the DishDrawer Dishwasher**
  - Ranked second best overall dishwasher and equal best in class for reliability
  - Ranked equal best in class for
    - Appearance
    - Ease of use
    - Performance; and
    - Style
  - Phase 7 DishDrawer Dishwasher will be released in December (U.S.)

- **Fisher & Paykel voted the "Most Trusted Whiteware brand" in New Zealand and Australia**
  - For the last 11 years in New Zealand
  - Last two years in Australia

FINANCE GROUP

FINANCE – FY12 INTERIM HIGHLIGHTS

- **Earnings – strong operating result**
  - Normalised EBIT down $0.5m to $18.4m ($18.9m pcp) – increased income and lower bad debts offset by higher funding and operating costs
  - Net income flat at $57.6m ($57.6m pcp); Other income increased by $0.6m
  - Interest expense increased by 6% to $41.3m ($38.8 pcp) on higher funding costs for retail debentures and banks (commercial paper lower)
  - Operating costs increased by $2.8m due to higher promotional spend on Q card (up $1.8m on pcp)
  - Bad debt expense ratio of 1.9% (3.2% on pcp)
  - One-off Litigation Costs (legal costs & provision) ~ $5.9m
  - Reported EBIT (including one-off litigation costs) of $12.5m ($18.9m on pcp)
  - Return on Equity ~18% (18% in March 2011)

- **Receivables – reflects soft retail conditions and households reducing debt levels**
  - Gross receivables reflect soft retail market conditions (down 2% on pcp)
  - Strong new Q card receivables growth offset by the loss of a major account.
  - Q Card receivables increased 29% on pcp on a normalised basis
    - Farmers Finance Card down 3% on pcp
  - Equipment finance and bulk funding were steady

- **Funding – strong liquidity and diversification**
  - Strong liquidity maintained; cash reserves of $45m being held
  - Retail debenture reinvestment rates of 41% reflect start of the transition from the Govt Guarantee Scheme
  - Sufficient funding in place – wholesale banking facilities and liquid funds cover equal to 1.6x of retail debentures
  - Retained Standard & Poor's long term issuer credit rating of 'BB' Outlook Stable

FINANCE – FY12 INTERIM RESULT

- Interest income was flat on pcp and Other income (non interest, fee and insurance) up $0.9m to $12.0m
- Interest expense increased by $1.1m on increased debenture and bank funding (reductions on commercial paper)
- Operating expenses up 17% reflecting increased marketing spend related to Q card (rebranding & re-positioning)
- Bad debt expense reduced as a result of continued tight credit and arrears management

NZ$000's	1H FY12 6 months	1H FY11 6 months	Change	FY11 12 months
Interest Income	57.6	57.6	0%	115.8
Interest Expense	(21.0)	(19.9)	6%	(41.3)
Net Interest Income	**36.6**	**37.7**	(3%)	**74.5**
Other Income	12.0	11.1	8%	23.5
Total Operating Income	**48.6**	**48.8**	0%	**98.0**
Operating Expense	(19.6)	(16.8)	17%	(35.4)
Bad Debt Expense	(6.0)	(8.9)	(33%)	(19.5)
EBITDA	**23.0**	**23.1**	(0%)	**43.1**
Depreciation	(0.2)	(0.3)	(33%)	(0.5)
EBITA	**22.8**	**22.8**	(0%)	**42.6**
Amortisation	(4.4)	(3.9)	13%	(7.9)
Normalised EBIT	**18.4**	**18.9**	(3%)	**34.7**
Litigation Costs	(5.9)	-		-
Reported EBIT	**12.5**	**18.9**	(34%)	**34.7**

Note: Refer Appendix for a reconciliation to statutory revenue

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FINANCE – KEY RATIOS

- Key ratios reflect strong performance
  - Net margin 10.8% – maintained at March 2011 levels
  - Cost to income ratio – reflects investment in Q Card marketing
  - Improvement in Bad debt expense ratio
  - Return on equity ~18% (excluding litigation costs)

NZ$000's	**1H FY12 6 months**	1H FY11 6 months	Change	**FY11 12 months**
Net Margin	10.8%	10.8%	0%	10.8%
Cost to Income Ratio	41.6%	34.3%	(7%)	36.1%
Bad Debt Expense Ratio (P/L)	1.9%	2.8%	1%	3.1%
Bad Debt Provision Ratio	3.9%	4.0%	(0%)	
Gross Receivables ($m)	613	625	(12)	628
EBITDA to Funds	22.1%	22.6%	(1%)	20.9%
Return on Equity	18.6%	22.4%	(4%)	18.4%

Note: Normalised result excludes Litigation Costs (Refer Annual Accounts for a detailed explanation)

FINANCE BUSINESS – LITIGATION COSTS

Background

- Previously a contingency has been reported for litigation which alleged that software developed by Fisher & Paykel Financial Services Limited (FPFS) breaches intellectual property rights of a USA software company. No specific provision was previously made for this, as the known basis of claim was considered to have little or no prospect of success
- The case was recently heard in the High Court at Auckland, New Zealand and a judgement on the issue is expected before 31 December 2011

Status Update

- There are complex legal issues and a range of possible outcomes. Accordingly, the Directors consider it is now prudent to make a provision given this uncertainty
- This amount, together with legal costs incurred by FPFS through to 30 September 2011, has been reported as Litigation Costs in the Income Statement. The total amount of the provision recorded by FPFS has not been disclosed separately as this may prejudice FPFS's position in this matter
- For the six month period ended 30 September 2011, Litigation costs (including both legal costs and the provision) were $5.9 million

FINANCE – BALANCE SHEET RECEIVABLES

- Gross receivables reflect soft retail market conditions (down 2% on pcp) and new receivables growth offset the loss of a major account (c. $50m gross receivables)
  - Farmers Finance Card down 3% on pcp
  - Q Card flat on pcp – new receivables growth up 29% normalised for the loss of a major account
  - Commercial Finance down slightly to $41m in soft SME market
  - Bulk funding flat at $76m (same as September 2010)
- Provisioning maintained

NZ$000's	**1H FY12 6 months**	1H FY11 6 months	Change	**FY11 12 months**
Farmers Finance Card	192	197	(3%)	199
Q Card	293	294	(0%)	299
Farmers Fixed Instalment	11	16	(31%)	13
Bulk Funding	76	76	0%	76
Total Consumer	**572**	**583**	(2%)	**587**
Commercial Finance	41	42	(2%)	41
Gross Receivables	613	**625**	(4%)	**628**
Less Provisions	(24)	(25)	(2%)	(27)
Net Receivables	**589**	**600**	(2%)	**601**
Provisioning Ratio	3.9%	4.0%		4.3%

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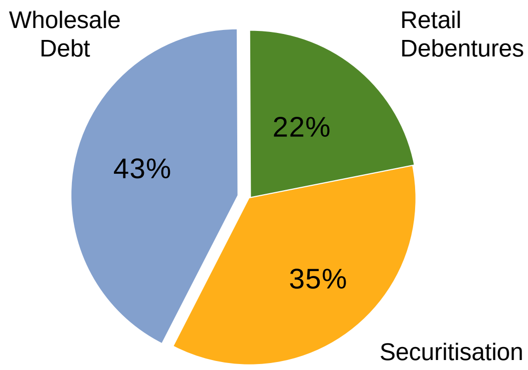
FINANCE – FUNDING AND LIQUIDITY

- Retail debentures
  - Reinvestment rates (last 6 months ~ 55%, however last 3 months ~ 41%) reflects the start of the transition away from NZ Deposit Guarantee debentures
- Securitisation
  - Stand-by facility of $285m
  - Unutilised capacity ~ $89m
- Wholesale debt
  - Undrawn committed bank facilities of $149m ($160m in March 2011) in FPF (NBDT[1])
  - Cover equal to 1.6x retail debentures (including liquid assets)
- Liquidity
  - Liquid assets (on balance sheet) of $45m – same as 31 March 2011
- Shareholders funds
  - Investment in Finance Group $204m ($205m March 2011)
  - Capital Adequacy Ratio[2] in NBDT ~ 12.68% with surplus capital $26m ($22m as at 31 March 2011)

FUNDING MIX (EX. EQUITY)



NZ$M	Facility Limit	Unutilised Capacity	1H FY12	1H FY11	Change	FY11
Securitisation	285	89	196	207	(5%)	208
Wholesale Bank Debt	385	149	236	214	10%	225
Retail Debentures			122	154	(21%)	140
Total External Debt	**670**	**238**	**554**	**575**	**(4%)**	**573**

(1) "NBDT" means Net Bank Deposit Taker is Fisher & Paykel Finance Limited
(2) Consolidated basis for the charging Group as per Deposit Takers (credit ratings, capital ratios and related party exposure) Regulations 2010

FINANCE – FUNDING BEYOND 31 DECEMBER 2011

- Investors are still transitioning to a non-Crown Deposit Guarantee Scheme environment
  - Monthly debenture reinvestment rates have reduced, in part due to the Company ceasing to offer Crown Deposit Guarantee debentures in June 2011
    - Reinvestment rates (Apr to Jun) – c. 73% per month
    - Reinvestment rates (Jul to Sep) – c. 41% per month
  - 65% of portfolio (as at October) rolled past 31 December 2011

- FPF has strategies in place for funding requirements beyond the end of the Crown Deposit Guarantee Scheme
  - Uncertainty remains post 31 December 2011 – committed bank funding in place
  - Undrawn facilities and liquidity to cover the retail debenture book by 1.6x

- Retail funding an important part of funding diversification strategy
  - Ideal form of funding for the business (low concentration matched to card receivables)
  - Broker engagement to broaden distribution
  - Investment community reassessing merits of certain NBDT issuers
    - RBNZ Regulations positive development

- Funding strategies for the year ahead
  - Diversify funding base and explore alternative funding options
  - Maintain bank and securitisation funding

FY12 OUTLOOK

FY12 OUTLOOK

- Market conditions are expected to remain challenging and unpredictable in the near term

- The second half of the year has traditionally provided the majority of the full year earnings for the Appliances business. The Board remains concerned about macro economic conditions in our key markets, in particular Australia, and it is unclear how the volatile conditions in Europe will impact Australasia. The Finance business is expected to continue to experience soft retail conditions in New Zealand, but with only a marginal impact on normalised earnings

- The Board's view is that normalised operating earnings before interest and tax for the Group will be around $42 million, comprising Appliances at around $10 million and Finance at around $32 million. Adjusting for abnormal items (onerous lease & litigation costs) of $8.5 million as at 30 September 2011 implies a full year Group reported operating earnings before interest and tax of around $33.5 million

- As with any outlook, this excludes the impact of events that are not presently known to the Board that may occur over the remainder of the year

- Due to an increase in growth related capital expenditure for the coming year and a cautious approach to future market conditions, the Company has resolved not to declare a dividend at the half year

DETAILED FINANCIALS

APPLIANCES – DETAILED RESULT

NZ$000's	**1H FY12 6 months**	1H FY11 6 months	Change	**FY11 12 months**
Operating Revenue	**440,846**	**476,034**	(7%)	**965,053**
- Inventory Movements within COGS	(259,846)	(282,696)	(8%)	(573,312)
- Other COGS	(40,984)	(54,262)	(24%)	(99,806)
Gross Margin	**140,016**	**139,076**	1%	**291,935**
- Selling, General and Administration	(108,941)	(116,597)	(6%)	(225,598)
- Net Foreign Exchange Gains / (Losses)	(20,345)	918		(14,185)
- Other Income (1)	2,314	1,717	35%	4,073
Normalised EBITDA	**13,044**	**23,278**	(44%)	**56,225**
- Depreciation	(10,767)	(12,407)	(13%)	(23,751)
- Amortisation	(4,651)	(4,095)	14%	(8,799)
Normalised EBIT	**(2,374)**	**6,776**		**23,675**
- Abnormals	(2,547)	-		(1,382)
- Net gains on Disposal of Property	-	-		6,300
Reported EBIT	**(4,921)**	**6,776**		**28,593**
Key Metrics				
Gross Margin %	***31.8%***	*29.2%*		***30.3%***
EBITDA Margin %	***3.0%***	*4.9%*		***5.8%***
EBIT Margin %	***(0.5%)***	*1.4%*		***2.5%***
Return on Invested Capital (2)	***3.6%***	*6.7%*		***5.6%***

(1) Excludes gain / loss on sale of land and buildings
(2) Normalised EBIT (last 12 months) divided by Capital Employed less non-interest bearing liabilities

APPLIANCES – REVENUE (LOCAL CURRENCY)

NZ$000's	**1H FY12 6 months**	1H FY11 6 months	Change	**FY11 12 months**
New Zealand (NZD)	78,177	81,275	(4%)	162,429
Australia (AUD)	150,469	148,586	1%	324,727
North America (USD)	71,635	88,684	(19%)	152,915
Europe (EUR)	17,070	20,163	(15%)	44,617
Rest of World (NZD)	37,932	33,386	14%	69,505
Implied Average Exchange Rates(1)				
NZD/AUD	0.77	0.80	(3%)	0.77
NZD/USD	0.80	0.71	12%	0.74
NZD/EUR	0.58	0.54	9%	0.55

(1) Weighted average monthly transactional rates

APPLIANCES – RETURN ON INVESTED CAPITAL

NZ$000's	1H FY12 6 months	1H FY11 6 months	Change	FY11 12 months
Normalised EBIT	(2,374)	6,776		23,675
Normalised EBIT (last 12 months)	**14,525**	**30,462**	**(52%)**	**23,675**
Total Assets	918,038	1,006,253	(9%)	956,905
Less Cash at Bank	33,558	25,373	32%	21,375
Less Investment in Finance Business	203,616	204,102	0%	205,383
Less Intangible Assets	88,190	91,763	(4%)	90,649
Net Assets	**592,674**	**685,015**	**(13%)**	**639,498**
Less non-interest bearing Liabilities	(183,868)	(232,532)	(21%)	(220,400)
Invested Capital	**408,806**	**452,483**	**(10%)**	**419,098**
Return on Invested Capital	**3.6%**	**6.7%**		**5.6%**

FINANCE – RECONCILIATION TO REVENUE

- Reconciliation between statutory and presentation accounts
- The difference relates to expenses associated with the Insurance and Warranty business
  - For presentation purposes these expenses are netted off against Other Income to facilitate comparison between net income and operating expenses

NZ$000's	**Presentation 1H FY12 6 months**	Recon	Statutory 1H FY11 6 months
Interest Income	57.6	-	57.6
Interest Expense	(21.0)	-	(19.9)
Net Interest Income	**36.6**		**36.6**
Other Income	12.0	+0.7	12.7
Total Operating Income	**48.6**	**+0.7**	**49.3**
Operating Expense	(19.6)	(0.7)	(20.3)
Bad Debt Expense	(6.0)	-	(6.0)
EBITDA	**23.0**	**-**	**23.0**
Depreciation	(0.2)	-	(0.2)
Total Operating Revenue (Interest income plus other income)	**69.6**	**0.7**	**70.3**

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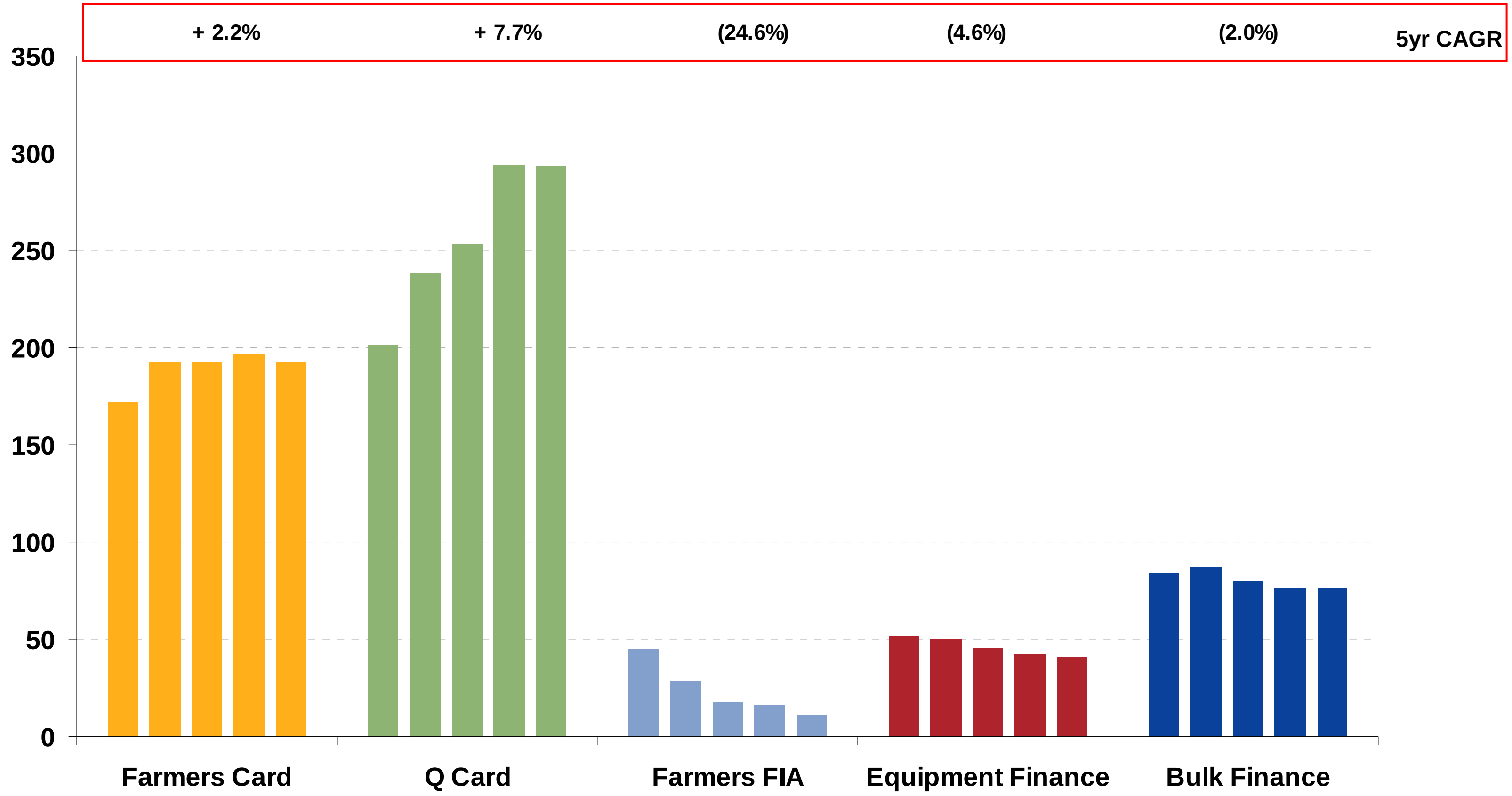
FINANCE – 5 YEAR RECEIVABLES HISTORY

RECEIVABLES BALANCE – AS AT 30 SEPTEMBER



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FINANCE – RETAIL DEBENTURE REINVESTMENT

DEBENTURE REINVESTMENT RATES – 6 MONTH ROLLING AVERAGE

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IMPORTANT NOTICE

This presentation provides additional comment on the New Zealand Stock Exchange release (and Australian Stock Exchange) of the same date. As such, this presentation should be read in conjunction with and subject to the explanations and views of future outlook on market conditions, earnings and activities, given in that release.

This presentation has not taken into account any particular investor's investment objectives or other circumstances. Investors are encouraged to make an independent assessment of Fisher & Paykel Appliances Holdings Limited.

All currencies are expressed in New Zealand dollars unless otherwise stated.

FISHER & PAYKEL FINANCE – LEGAL DISCLOSURE

Fisher & Paykel Finance Limited (FPF) has a guarantee under the Crown Retail Deposit Guarantee Scheme which expires on 31 December 2011. Further information about the Crown guarantee is available on www.treasury.govt.nz.

FPF's debentures are secured first ranking debentures subject to prior permitted charges (currently none). A copy of FPF's prospectus and investment statement is available on request from FPF.

This presentation has not taken into account any particular investor's investment objectives or circumstances. Investors in FPF are encouraged to make an independent assessment of FPF.

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