Fisher & Paykel Appliances Holdings Limited

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S ADDRESSES TO ASM

CHAIRMAN – DR KEITH TURNER

It is my pleasure to welcome you all to the 2011 Annual Shareholders Meeting of Fisher & Paykel Appliances Holdings Limited, my first as Chairman.

Once again the Company is delighted to host its Shareholders at our corporate premises. At the conclusion of this meeting there will be an opportunity to meet our people and view some of our latest products.

I have been advised that a quorum of Shareholders is present and declare the meeting duly constituted.

Before we start the formal business of the meeting, I would like to introduce our Company Secretary, Mark Richardson, and my fellow directors. On your left from the centre are Bill Roest and designated Haier alternate Directors, Harry Hou and Tommy Leung.

The Haier appointed directors, Haishan Liang and Lisa Tan, are unfortunately unable to attend this meeting. Both offer Shareholders their apologies.

On your right from the centre are: your CEO, Stuart Broadhurst, Gary Paykel and Peter Lucas. I would also like to extend a special welcome to our former deputy Chairman, John Gilks, who retired at the commencement of this meeting.

I propose to open the meeting by giving an overview of the Company's performance and key areas of focus by the Board during the 2011 financial year.

Your Managing Director and CEO, Stuart Broadhurst, will then discuss the operations of the Appliances and Finance businesses.

Following Stuart's address there will be an opportunity for questions and answers.

The formal business proceedings this year comprise three items of ordinary business, which are contained in the Notice of Meeting. I will outline the procedures ahead of each item.

In looking back at the last year, it has been another difficult one, but the Company has made considerable progress on operational improvements and finished in a much stronger financial position.

From a Group perspective our financial performance, despite difficult market conditions, has substantially strengthened the balance sheet.

By the end of the year the Company had reduced its debt to $100 million, a huge improvement over its toughest days in 2009 when debt stood at $503 million. The Company met all of its Debt Covenant requirements over the period as a consequence.

Market Conditions

For the Appliances business, market conditions remained very difficult and we continued to experience intense competition, in particular from Asian based producers.

At the same time overall consumer spending has been subdued across most of our key markets.

Despite Australia's economic performance relative to the rest of the world, retail spending in Australia has reduced and is expected to remain subdued for some time.

In New Zealand we migrated from our exclusive dealer arrangement to broader distribution channels and went through a difficult transition. Pleasingly we are now through this period and we have seen our New Zealand market share rebound to a level that now exceeds March 2010 levels.

The U.S. economy, despite its massive stimulation over the last two years, has failed to fire. Economic growth and consumer confidence remain at cyclical lows and there is still substantial deleveraging to occur. The domestic consumer is under pressure to reduce bank debt rather than continue spending.

European economies are also undergoing a substantial crisis in confidence and consumer spending remains subdued.

The market conditions through the past year resulted in lower revenue and unit sales for Fisher & Paykel Appliances. However, gross margins in New Zealand dollar terms were up 2 per cent. This was very positive. That said it is our view that the very difficult global conditions will persist and that there will be no sudden recovery in consumer demand in the short term. These are the market conditions we have to adapt to and the events of the last few weeks in both the U.S. and Europe underline just how fragile consumer and investor confidence is.

The intense competition from global over-supply, combined with depressed retail spending means the Company must continue to strive for further productivity gains, improved quality and an enhanced product portfolio. In addition, we continue to refine the approach we take in our key markets.

While Appliances has completed a major manufacturing relocation, there are still considerable refinements required. Our strategic review in this area is ongoing. Some of the Company's manufacturing locations are not yet optimised. Completion of the global manufacturing strategy will deliver further productivity gains.

There are also considerable supply chain challenges, with many materials costs rising. Some global whiteware companies are responding to the materials cost pressures with price rises and this will allow us to also lift some of our prices. This should help Fisher & Paykel Appliances maintain its margins.

Product and Technology

This Company has long been known for its smart use of new technology, most of which it has developed itself. We are continuing this trend by investing in new products, and developing new technology for the future, some of which will be on display following this meeting. The pipeline over the next few years will see a number of new products released across all major categories. Our strategy to lift investment in engineering resources and product development has taken time to deliver. We expect it to bear fruit over the next few years through a suite of products that will remain competitive within the tough market place in which we operate.

Fisher & Paykel Appliances remains extremely competitive with its key technologies. It has taken advantage of this competitive position to sell some of its world 'best practice' technology, for example direct drive washing machine motors, into China and the U.S. We will obtain significant income that we would not otherwise have access to, through these initiatives. The business is focused on taking these opportunities to leverage its world-leading technologies, where it makes competitive sense from both a brand and a finished product perspective.

We are also very excited about our new refrigeration compressor technology, the linear compressor, which, after more than 15 years of effort, is approaching commercialisation. Early field trials are now being conducted with this compressor built into finished product.

When integrated into a purpose designed refrigerator. We expect this will generate energy efficiency improvements in excess of 35%. This represents the most significant development in refrigeration technology in recent times and will set a new standard for the industry.

Fisher & Paykel Appliances also continues to demonstrate a global competitive advantage in specialised production manufacturing equipment. We have made some notable sales of assembly line equipment to both China and the U.S., against stiff competition.

The Finance Group

The Finance Group had an excellent year, despite the large number of Finance Companies exiting the sector over the last three years.

Fisher & Paykel Finance Limited remains one of the few retail financing entities now left in the New Zealand market. This is an exciting position to have but the growth potential will require additional funding including funding post the removal of the Government Guarantee in December.

Financial Result

Turning now to the financial result for the year ended 31 March 2011.

The Group reported a net profit after tax of $33.5 million. This result compares favourably to a loss of $83.3 million after tax for the previous year.

The improved result is attributable to operational improvements, lower interest costs and the Group not having substantial abnormal charges compared to the previous year.

The result includes an abnormal profit on sale of land and buildings of $6.5 million before tax, which was substantially related to the sale of the Cleveland, Australia site.

After adjusting for one-off items the Group reported a normalised profit after tax of $30.0 million compared to $18 million for the previous year.

Cash flow from operations, before the movement in loans to Finance Group customers, improved to $113 million for the full year compared to $88 million last financial year.

As mentioned net debt, excluding net operating debt for the Finance business, reduced by $73 million to $100 million, due to strong operating cashflows and property sales. As a result of lower debt levels, interest costs were down 46% to $15.4 million.

Appliances reported a normalised operating profit before interest and tax of $23.7 million for the year, of which $16.9 million was achieved in the second half of the year compared to $6.8 million for the first half. Normalised operating profit before interest and tax for the prior year was $29.4 million.

Appliances operating revenue was down 5.5% to $965 million. In local currency terms, higher volumes were offset by price decreases and mix changes and when reported in New Zealand dollars, overseas sales were lower due to currency effects.

While revenue was down, pleasingly, Appliances' gross margin increased by 2% to $292 million and as a percentage of operating revenue, increased from 27.9% to 30.3%. This was due to significant reductions in warranty costs and favourable exchange rate movements in New Zealand and Australia, which offset higher raw material costs and sea freight.

Excluding abnormal items, the Operating margin for the Appliances business was 2.5% and return on capital employed was 5.6%.

The Finance business reported another strong result. Full Year Operating Earnings before Interest and tax were $34.7 million, representing a 20% increase on the last financial year result of $28.9 million. The result was built on higher net margins, which were up 9% to $98 million, overhead containment, and a continued focus on asset quality and credit management. Net receivables were held at September 2010 levels in a soft retail market environment. The result included a $2 million provision for receivables potentially impacted by the Canterbury earthquake.

Governance

I now turn to governance.

There has been considerable change to the make-up of the Board over the last twelve months.

As foreshadowed at the 2010 Annual Shareholders Meeting, former Chairman Ralph Waters retired from the Board in February this year. On behalf of the Board I would like to thank Ralph for his contribution to the Company as both Chairman and an independent Director over his nine year tenure.

The year also saw two unexpected resignations from the Board.

Mr Philip Carmichael, a Haier representative on the Board, resigned from the Board due to his resignation from the Haier Group.

Mr Simon Botherway also resigned from the Board at the end of April this year, taking up a corporate role at the ANZ Bank. Given that Simon's new role will include the oversight of money invested in Fisher & Paykel Appliances, Simon's continuation as a director on the Board was untenable.

The Board would like to thank Philip and Simon for their contributions and wish them every success in their new roles.

There have been three new appointments to the Board this year.

I stand before you today as a new Director to the Company, having joined on the first of November last year. I was also appointed to the role of Chairman following the retirement of Ralph Waters from the Board.

Other new director appointments during the year included Mr Bill Roest, the current Chief Financial Officer of Fletcher Building, who was appointed to the Board in February 2011. Mr Roest filled the vacancy created by the retirement of Mr Ralph Waters.

Following the resignation of Mr Phillip Carmichael from the Board, Mr Liang Haishan, was appointed as a Haier representative to the Board in April 2011.

As foreshadowed at the last Annual Shareholders Meeting, Mr John Gilks retired from the Board immediately prior to this meeting. I would like to take this opportunity to thank John for his outstanding contribution during his long service to the Company as a non-executive Director, Deputy Chairman of Fisher & Paykel Appliances Holdings and Chairman of the Fisher & Paykel Finance Board. John was also the Chair of the Company's Audit and Risk Management Committee and his contribution to the Board over many years has been immense. I am delighted to announce that John will remain Chairman of the Finance Group Board at least for the foreseeable future. John, on behalf of the Board and the Company, I wish you and Laurel all the best for the future.

Gary Paykel had also planned to retire at this meeting, but in light of the unexpected changes at Board level early in 2011, I asked Gary Paykel to consider deferring his retirement by twelve months to allow a more staged succession of the Board. Gary has kindly agreed to remain and his retirement is now planned for the Annual Shareholders Meeting in August 2012.

As planned, Mr Peter Lucas will retire from the Board during 2012.

Since my appointment as Chair, the Board has been very active in seeking out new directors that have the right skill sets to take the Company forward. The Board had hoped to be able to bring resolutions for the appointment of two new Directors to this meeting. The process is very nearly completed and the Board has two candidates who are completing their due diligence as I speak. There was unfortunately just not sufficient time, prior to the issue of the notice of meeting, to enable their appointment to be conducted at this meeting. The Board will proceed to make two appointments and these will be announced some time after this meeting. Both candidates will seek election at the next Annual Shareholders Meeting in August 2012.

Dividends

I turn now to dividends.

Despite an improved balance sheet position as at 31 March 2011, the Board took the decision not to declare a dividend for the 2011 financial year. Our decision not to reinstate dividends was based on concerns around market conditions in our key markets, an increase in growth related capital expenditure for the coming year and a cautious approach to credit markets. In our view these concerns have not abated at this time and the financial market volatility over the past month shows this decision to be prudent.

The Directors are conscious of the importance of dividends to Shareholders. The Board is committed to resuming dividends as soon as financial and operating conditions permit.

OUTLOOK

I now turn to the outlook for the current financial year.

The Board reiterates that forecasting the Appliances business in the current environment remains extremely difficult.

The first quarter result, combined with a weak retail outlook in Australia and forecast transactional hedging losses, are likely to result in the Appliances' businesses first half operating earnings before interest and tax being at or slightly above breakeven.

In the first quarter, the benefits of a rapidly appreciating Australian dollar against the U.S. dollar were favourable to input costs, however these benefits were more than offset by the Company's hedging losses. This represents a one-off loss of earnings in the first quarter. Because of the length of some of the hedging contracts, we will continue to incur losses, albeit at a reducing rate, for some months to come should the AUD/USD remain at around 1.05. The Company's transactional hedging policy was substantially lengthened following the refinancing in May 2009 and now that debt levels have reduced, the Company is progressively reverting to the previous transactional hedging policy which will be more responsive to currency movements.

The second half of the year has traditionally provided the majority of the full year earnings. The Board remains concerned about volatile economic conditions in our key markets, in particular Australia, and potential for further increases in raw material prices. If these concerns are realised over the remainder of the financial year, and current exchange rates persist, the Board's view is that Appliances' full year forecast operating earnings before interest and tax will be between $10 million and $20 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.

The Finance business is expected to experience soft retail conditions in New Zealand, but with only a marginal impact on earnings. Committed wholesale bank funding is in place to ensure the repayment of maturing retail debenture stock in the lead-up to the expiry of the Crown's Retail Deposit Guarantee Scheme on 31 December 2011. Full year operating earnings before interest and tax for the Finance business is expected to be around $32 million.

Group full year operating earnings before interest and tax are expected to be between $42 million and $52 million.

The Appliances business has increased its component and technology business. The signing of two significant motor contracts this year is a positive development in this area, although earnings from these new contracts will not begin to show until the 2013 financial year. Stuart will touch on these developments shortly.

Capital expenditure is now forecast to increase from $44 million, as stated in the 2011 Annual Report, to approximately $52 million in the 2012 financial year to fund the assembly lines for the motor contracts and also new product development.

The Company is committed to further property sales, with the remainder of the surplus East Tamaki New Zealand property continuing to be marketed. The value of these properties is approximately $15 million.

This concludes my comments on the outlook.

Conclusion

Finally the Board would like to thank Stuart for the enormous effort that he has brought to the Chief Executive role. He has worked tirelessly to strengthen the Company's current position and recover from the extremely difficult period in 2008/2009. He has assembled and brought fresh talent to the senior leadership team and has made significant operational improvements already that have positioned the Company well to survive these challenging times. He and his team have many more initiatives on the drawing board.

The Board would like to thank Stuart, the Executive Team and all the staff for their continued loyalty and determination to restore Fisher & Paykel Appliances as a pre-eminent whiteware manufacturer.

I would also like to acknowledge Alastair Macfarlane, Managing Director of Fisher & Paykel Finance and his executive team. The Finance team has delivered an outstanding result at a time when most New Zealand finance companies have been found wanting. On behalf of the Board I would like to thank the staff at Fisher & Paykel Finance for their achievements.

I would now like to invite your CEO, Stuart Broadhurst to address the meeting.

CHIEF EXECUTIVE OFFICER – MR STUART BROADHURST

Thank you, Keith.

Good afternoon ladies and gentlemen.

I also extend a warm welcome to you all.

It is pleasing to once again hold the Shareholders meeting at our own facility.

Today I will provide an update on market conditions during the first quarter of 2011, a reminder of the five main things the business is focused on, and an update on our partnership with Haier.

I would also like to talk about four topics – our component and technology business, new product development, product quality and the Fisher & Paykel brand.

Turning now to the first quarter result. The Group has made a steady start to the year, with first quarter revenue in New Zealand dollar terms down 4% on the first quarter last year despite the stronger New Zealand dollar. However, a few factors have impacted the overall financial result, namely material cost increases, lower component and technology sales and large hedging losses in Australia.

At a sales level our Australian and New Zealand businesses performed well, while the U.S. market result reflects our focus on improving profitability.
On the cost side, the business has been impacted by higher raw material costs and the negative impact of currency hedging. These have taken the shine off a solid sales performance in challenging market conditions.

In Australia, we have not yet benefited from the rapid appreciation of the Australian dollar relative to the U.S. dollar. For the June quarter, our effective U.S. dollar / Australian dollar hedge rate was 0.88 cents compared to an average spot rate of 1.07.

Trading from late July and into August has slowed markedly in Australia and New Zealand. This change is reflected in the outlook for the full financial year.

I will now touch briefly on our key appliances markets.

New Zealand

Retail competition in New Zealand remained intense during the first quarter of the financial year.

We have continued to build on the platform set following the transition from the exclusive dealer arrangement in July last year. Our market share remains above March 2010 levels, in what have been difficult retail market conditions.

Overall sales revenues are up 4% on the first quarter last year. Sales of Fisher & Paykel branded products are in line with the first quarter last year, although the mix has improved, while sales of Haier branded products have increased off a low base. Price increases on selected products went into the market on the 1st of June.

Total gross margin as a percentage of sales for the quarter was up slightly, despite a higher proportion of lower margin Haier branded products and increases in raw material costs.

The business is focused on supporting its expanded distribution base.

Australia

The Australian market for appliances increased compared to the first quarter last year. Market demand is estimated to have increased by approximately 5% in unit terms, compared to the first quarter 2010. However, more recently consumer confidence has declined indicating a more subdued market outlook for the balance of the year. The rapid strengthening of the Australian dollar, relative to the U.S. dollar, has seen our competition continue to re-price downward certain segments within the market.

Pleasingly sales volumes of Fisher & Paykel branded product increased 5% relative to the first quarter in the previous financial year. Sales revenue was up 3% in Australian dollar terms.

As mentioned earlier our long hedging profile meant we have yet to benefit from the strong appreciation in the Australian dollar.

The sale of Haier branded products is progressing well and we have expanded distribution into several key retailers.

North America

The U.S. market was down 10% in unit terms compared to the first quarter last year, mainly due to the absence of Government stimulus.

Our first quarter result for North America is characterised by a rebalancing for profitable sales and the benefits from overhead reductions.

While sales have been impacted, the U.S. business is delivering improved performance as compared to the losses incurred in previous years. On a segmental reporting basis the U.S. business was operating at close to breakeven for the quarter ended 30 June 2011.

Overall sales were down 24% in U.S. dollar terms compared to the previous corresponding quarter, driven by an absence of Government incentives, one-off product introductions into Lowes and Sears last year, and our rebalancing of distribution channels to enhance margins.

Sales of DCS branded products were down quarter on quarter, in part due to delays in the launch of the new United DCS product range. These have now been shipped to the market.

We continued to experience intense market competition during the first quarter. However, a number of our competitors raised prices to offset higher raw material costs. We also lifted prices on some products, effective 1st of June.

In the short term we are committed to returning the U.S. business to break-even on a segmental reporting basis. Beyond this, we believe the U.S. and Canadian markets are potential sources of future profitable growth for Fisher & Paykel.

International

There have been mixed results for sales to other markets around the world during the first quarter. In Singapore, sales are down slightly which is a credible result given the Company ceased distributing Whirlpool branded products on the 1st of April 2011.

Difficult market conditions continue in Europe. Sales to other Rest of World markets have increased, though our primary focus here is on improving the profit from these sales. With commodity costs rising in U.S. Dollar terms we continue to lift our U.S. dollar prices to protect and enhance our margin.

Finance Business

Pleasingly, the Finance business has continued to deliver a strong operating performance into the current financial year.

The business has continued to benefit from higher net margins, cost containment and a continued focus on asset quality and credit management. Earnings are down slightly due to increased promotional activity. For the first time the Company has advertised its Q card on television, which has been well received.

Receivables have fallen from March 2011 levels, reflecting the loss of two retail accounts accepting the Q card, however, the Finance team have done a great job of replacing this business. With only 25% of merchants in New Zealand currently accepting the Q Card, there is significant potential to grow Q card receivables further.

The business continues to employ a strategy of maintaining funding diversity. The Crown's Extended Guarantee Scheme expires on the 31st of December 2011. The Company has a number of strategies in place to maintain funding beyond this date. The business has sufficient banking facilities in place to cover more than 146% of the debenture book, should it be required. In June, the Finance business decided to cease offering Crown guarantee securities. This is a positive step in preparation to transition investors beyond the end of the scheme.

Five Main Things

Last year I highlighted that the key to the success of our business would be determined by how well we deliver on five main things. We continue to embed the focus on these five main things into the way we work.

The first is Delivering Customer Benefits

Progress has been made on creating the organisational capability to gather actionable customer data and use it to drive the development of innovative product. We have many new world-class products to release to the market over the next 18 months.

We have also made significant progress in improving our quality systems and processes.

I will touch on these two topics again shortly.

The second imperative is Disciplined Market Growth

We have implemented a cost to serve management tool to ensure all resources are focused on delivering profitable sales and growth across those markets which provide the greatest return.

The third is Organisational Capability

We now have the foundations in place which allow us to create the right environment to retain and harness the talented people needed to achieve our goals.

Business Excellence is the Fourth

We have made steady progress on implementing our business excellence framework. The New Zealand Business Excellence Foundation has completed an assessment on our business. We are working systematically to deliver on the identified opportunities for improvement.

And finally – Reducing Costs

We are continuing to identify and deliver on cost reduction opportunities as lean thinking cascades through the organisation. As Keith mentioned there is an opportunity to further reduce our cost base by embarking on the next stages of our manufacturing strategy.

Haier Partnership

I turn now to our strategic partnership with Haier.

In March 2011 we were delighted to announce a Technology Supply Agreement with Haier for the design, manufacture and supply of Direct Drive washing machine motors.

It is anticipated the arrangement will generate revenues of approximately $20 to $35 million dollars per annum. The manufacture and assembly of the manufacturing equipment has commenced at our Production Machinery business (PML). The production line is expected to be commissioned at our Thailand factory in the first quarter of 2012.

Sales of Fisher & Paykel branded product into China have commenced with the signing of the first contract for an apartment complex near Shanghai. Sales have been slower than previously expected, due to product certification requirements. However, the full line-up of Fisher & Paykel branded product is expected to be completed for release by the end of this calendar year.

Specific Business Topics

I now turn to four specific topics to highlight developments within our business.

The first topic is our Components and Technology Business

We continue to leverage our competitive advantages to provide the industry with sub systems, enabling technologies, application integration and manufacturing equipment. In the past year we have increased our focus on the component technology business, in particular, direct drive motors for washing machines.

Let me remind you that Fisher & Paykel invented the first direct drive motor for a washing machine. Twenty-one years ago we launched our first Smart Drive™ autowasher. The original motors have been advanced considerably since 1990, and we are now a world leader in the design, integration and manufacture of this technology.

Today the global industry is turning to direct drive technology because of the benefits it offers consumers. These benefits include energy and water efficiency and improved wash performance. At Fisher & Paykel we are uniquely positioned to leverage our experience of 21 years as the global industry moves to direct drive motor technology.

A real competitive advantage is that we have an intimate understanding of the application and integration of direct drive motors in autowashers, because we design and manufacture both.

Furthermore, we have developed unique manufacturing processes and our motor manufacturing plants are fully automated. These plants are also designed and manufactured by our production company, PML.

As Keith alluded to in the outlook, we have just signed a new Technology and Component Motor Agreement with a major global appliance manufacturer for a minimum period of four years. Under the new contract Fisher & Paykel will design, build, manufacture and supply direct drive motors. The capital cost will be $11 million and the motor line is expected to be production capable during the second quarter of financial year 2012. It is anticipated the arrangement will generate revenues of approximately $16 to $23 million dollars per annum

Going forward we are committed to developing our capabilities further and cementing Fisher & Paykel as the leading supplier of direct drive motor technology to the global appliances industry.

<u>The second topic is new product development</u>

As a business we are committed to gathering actionable customer data to drive product innovation and improvement.

In the past 18 months we have invested heavily in new product development. Today I want to give you an insight into projects that we have been working on.

In the last six months we have released new refrigeration products into the North American market. We have also released a new range of DCS “United” indoor cooking products.

We have just launched upgraded washing machine models in the Australian and New Zealand markets, which have a larger capacity and increased water efficiency. The evolution of our washing machines continues to be powered by our world-leading Smart Drive motor technology.

This year will see the release of our cooking “companion” product line, including built-in coffee makers, combination microwave ovens, steam oven and compact oven. This line-up is important for our entry into the Chinese market, but also complements our global high-end kitchen offering.

Our strong legacy of innovation and commitment to quality design continues to influence new product development with the upcoming release of our gas on glass cooktop to the market. The new gas on glass cooktop incorporates our latest design aesthetics and dual flow burners and we encourage you to view it in our display kitchen near reception while you’re here today.

Innovation continues with the upcoming release of the next evolution of our DishDrawer dishwasher. Our phase 7 product includes enhanced energy efficiency and wash performance and new racking systems and we have incorporated several new design elements. Our phase 7 DishDrawer dishwasher is scheduled for market release by the end of the year. This latest model continues the trend of providing significant improvements over its predecessor.

These are just some of the examples of new products we are bringing to market over the next six months. The investment in new product development is delivering results and we have several more new product introductions coming over the next year. We will have new refrigeration, more cooking product releases and further developments in laundry. All this builds on our heritage of design and customer led innovation. This is exciting for our customers, our team, and the future of Fisher & Paykel.

Product Quality

And the third topic is product quality.

We know that consumers throughout the world want reliable, quality products that are easy to use and deliver the functionality they require over the lifetime of the product. Product quality is a critical element of this overall customer experience. We have invested in processes and systems to ensure we are best in class through the design, manufacture and after sales service of our products.

Our vigorous pursuit of best in class quality has led to a $6 million reduction in warranty costs in the last financial year, with further savings experienced in the last quarter. A significant impact of this focus on quality has been improved customer satisfaction.

In the recent J. D. Power consumer survey in the U.S., our DishDrawer dishwasher was rated the second best overall dishwasher on the market. It ranked equal best in class in ease of use, style, appearance, performance and reliability. Our new Phase 7 DishDrawer dishwasher will take this to the next level.

We have been voted the most trusted whiteware brand for the last 11 years in New Zealand and the last two years in Australia. We recognise the hard work required to earn and maintain customer trust. We continue to strive to make sure every customer has a consistent and quality experience. In the end we want our customers to know we stand by our product and in the event we do not meet their expectations, we will put things right.

Global Branding

The next topic is the Fisher & Paykel brand.

While the component and technology business is a revenue diversification opportunity for the Group, it is critical that we also focus on building a strong and appealing global brand

In the past year we have taken a significant step forward with our global branding direction for the Fisher & Paykel brand.

Our aim is to ensure we build on Fisher & Paykel's proud brand heritage and deliver a unified and consistent global brand message. We want to position Fisher & Paykel as a brand that delivers consistent and quality experiences across all touch-points for the customer.

Brand unification will cover all aspects from consistent product displays, point of sale messaging, television advertising, promotional materials, our website, after sales care and other mediums.

Recent examples of the execution of our brand strategy include our new point of sale and marketing materials associated with our laundry products, and our DCS outdoor products, some of which are on display today. This year will see a follow-up for refrigeration, dishwashing and cooking products.

The new branding image has been applied to our recent event at the Good Food & Wine Show in Australia. The show included sponsorship of the Fisher & Paykel celebrity theatre, which showcased top Australian chefs and MasterChef participants.

In New Zealand we hosted specifiers, designers and architects to the Urbis Design Day. The Fisher & Paykel social kitchen concept was designed to showcase the best in appliance engineering and design and demonstrate the evolving role of the kitchen as the social hub in our everyday lives. This was no more evident than what we saw with the popularity of the Fisher & Paykel sponsored New Zealand MasterChef, which approached record Television audience views in the last series.

A strong brand is critical to our future business success and we have taken a significant step forward to support Fisher & Paykel's place as a premium brand in the kitchen and laundry appliances market. The increased investment being made in the brand today will underwrite a brighter future for Fisher & Paykel.

Executive Team

Finally, I would like to update you on changes to the executive team. Early this month I announced the appointment of David Sullivan to the role of Chief Financial Officer for the Group. David's previous roles include CFO of SKYCITY and Vodafone New Zealand. His experience and insights will be a strong addition to the executive team.

I would like to take the time now to introduce the executive team.

I would like to introduce David Sullivan – Chief Financial Officer.

Brett Butterworth – Vice President Components & Technology, Production Machinery and Haier Project Management Office.

Andrew Cooke – Vice President Supply Chain Management & Information Technology.

Roger Cooper – Vice President Operations. Roger is unfortunately not in New Zealand today.

Dale Farrar – Vice President Human Resources.

Garry Moore – Vice President Quality and Customer Services.

Matt Orr – Vice President Corporate Planning and Investor Relations.

Craig Reid – Chief Sales & Marketing Officer.

Daniel Witten-Hannah – Vice President Product Development.

Alastair Macfarlane – Managing Director of Fisher & Paykel Finance.

Please take the opportunity to talk with the executive team at the conclusion of this meeting.

Summary

In summary, the 2011 financial year was a positive and productive year for the Company. Our operational achievements are indicative that the business is recovering from the difficulties of the previous two years, notwithstanding that the negative factors which have suppressed consumer demand have shown no signs of abating.

I am pleased to say that we are making progress on the five main things, but there is further work to be done. I also talked today about growing our components and technology business, new product development, achieving world class quality, the Fisher & Paykel brand and our people. As you can see the strands are coming together and while our financial goals are not yet being met, we do have our sights clearly on the target of generating a healthy return for Shareholders.

I am confident we have the right strategy and the right people to restore Fisher & Paykel as a world-leading premium appliances and technology company.

Our people are what drives this Company and are the key to its future success. We have representatives here today from our industrial design team, engineering, sales & marketing, customer care, our corporate functions and Fisher & Paykel Finance. We also have staff from our popular on line food blog who will be cooking for you on our DCS gas barbecue. The refreshments include some of the most popular recipes from our food blog and the Urbis Design Day event.

At the conclusion of this meeting, I invite you to stay and share the Fisher & Paykel experience by viewing our products, enjoying light refreshments from our kitchen and talking with our representatives about our products, our stories and where the future will take us.

Ladies and Gentlemen, this concludes my comments today. Thank you.

ENDS

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