

FOREIGN EXCHANGE RATE RISK

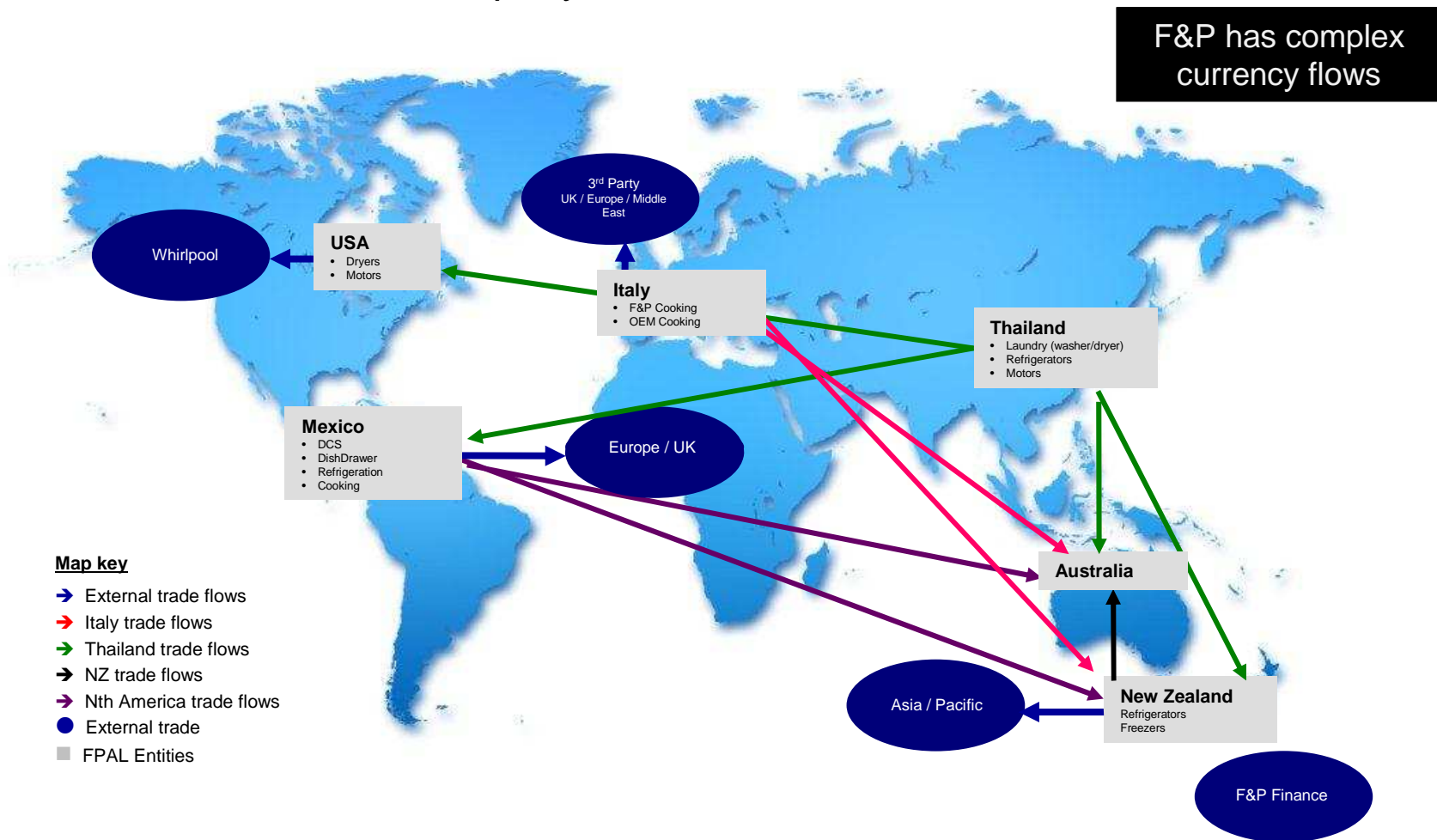


David Sullivan
Chief Financial Officer

Fisher & Paykel

FOREIGN EXCHANGE RISK

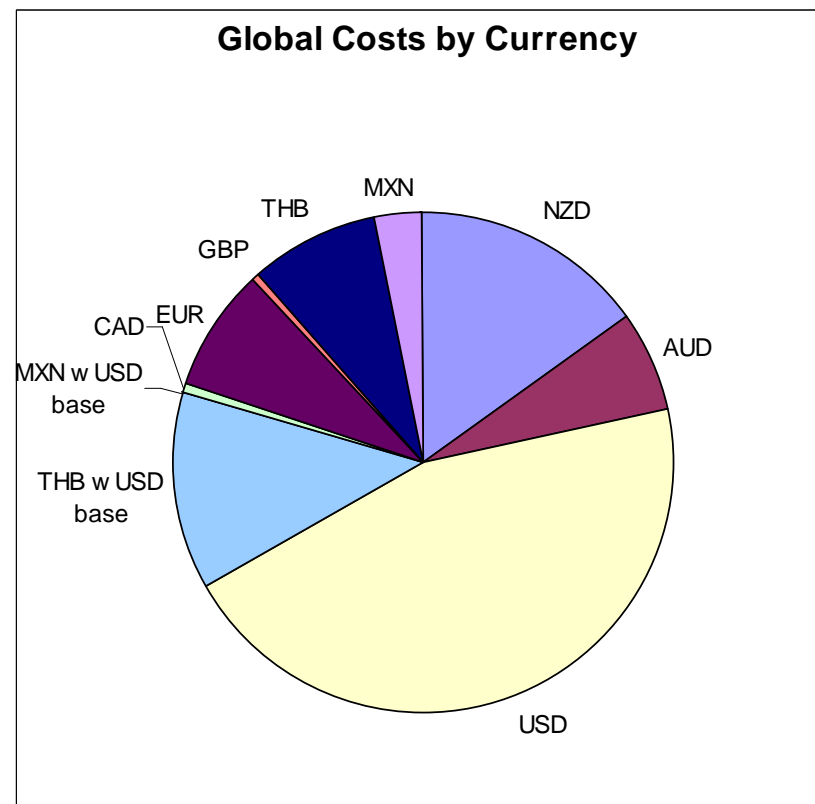
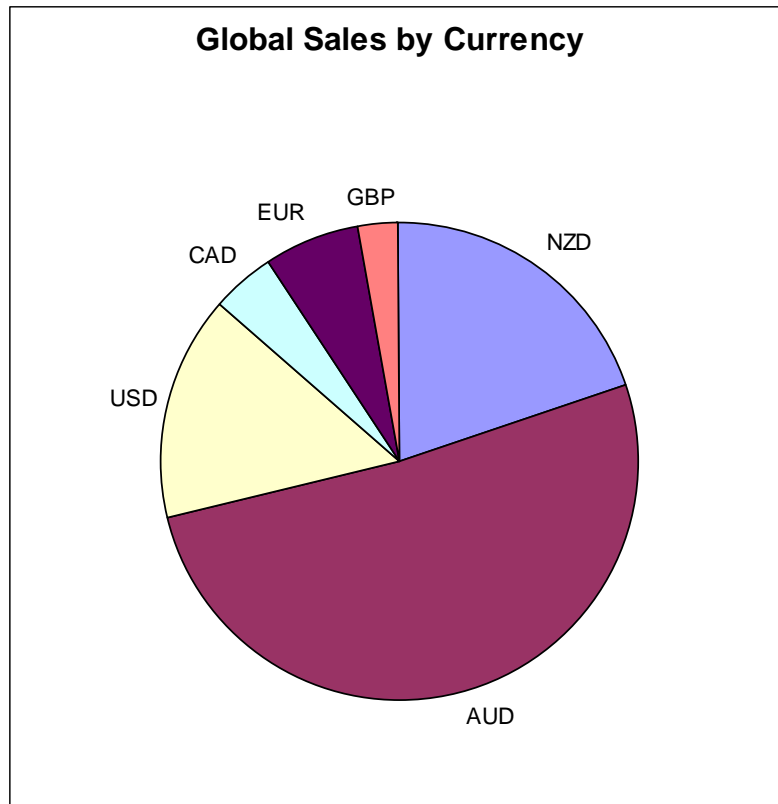
Inter Company and External Trade Flows



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APPLIANCES REVENUE AND COSTS BY COUNTRY

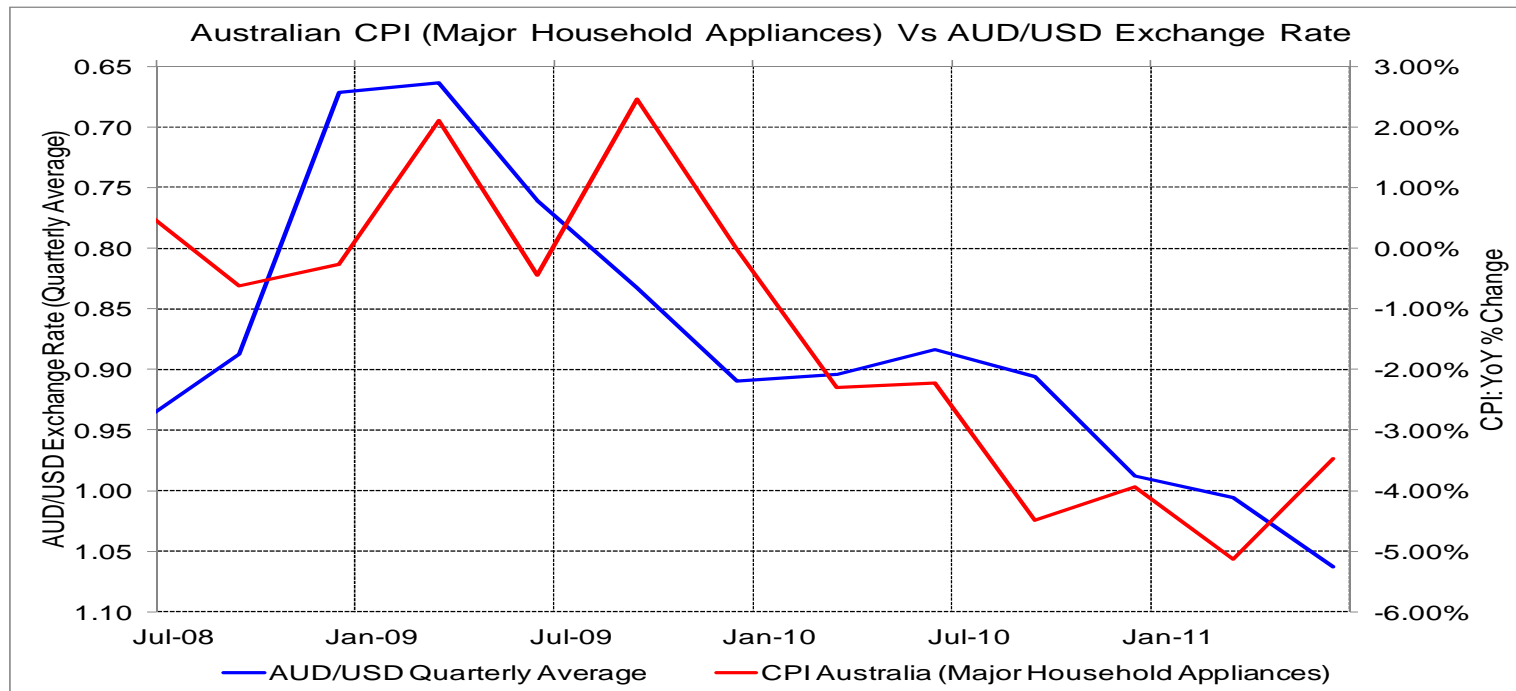
- Our primary revenue is in AUD but costs are mainly in USD



AUD CURRENCY CASH FLOWS

Revenue Impact

- The correlation is most pronounced since 2009



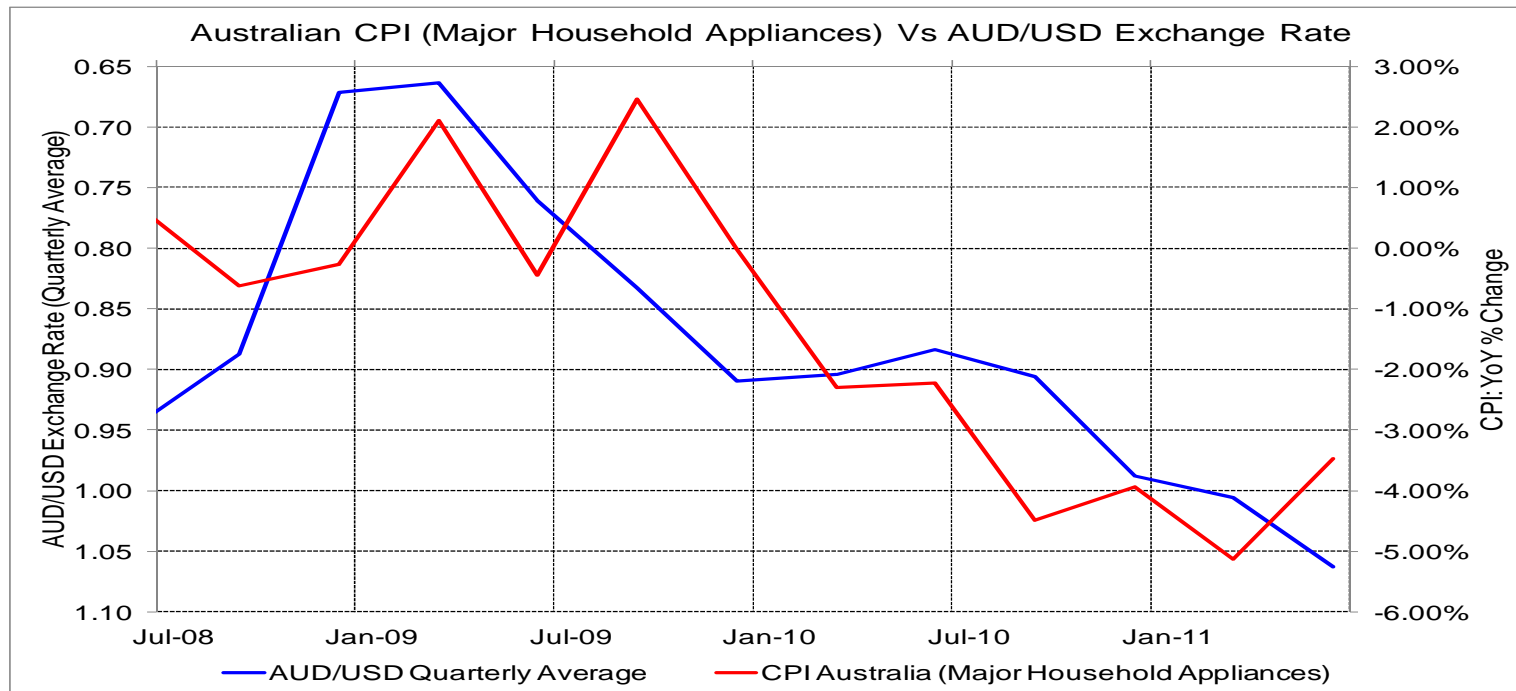
Source: Asia Pacific Risk Management

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AUD CURRENCY CASH FLOWS

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FY12 INTERIM RESULT 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
- **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

AUD / USD CROSS RATES (LAST TWELVE MONTHS)



(1) Illustrative only

IMPORTANT NOTICE

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 and its subsidiaries.

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

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