Fisher & Paykel Appliances Holdings Limited

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CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S ADDRESSES TO ASM

NAVIGATING THROUGH DIFFICULT TIMES

Over the past year global markets have continued to remain volatile and have not recovered sufficiently to alleviate uncertainty. The effects of the global financial crisis are still playing out across Europe, and to a lesser extent, North America. While Australasia has weathered the turmoil better than most, Australia has a “two speed” economy and trading conditions have remained subdued.

Against this backdrop, Fisher & Paykel Appliances has done exceedingly well over the last twelve months to hold its own. The Company has continued to build on operational improvements and strengthen its financial position whilst investing for the future.

The Appliances business continues to operate in an environment where retail spend in most markets is still muted and the retail sector is undergoing considerable change and transformation. We have adapted well to these market conditions and the Company is constantly adapting to ensure it competes effectively.

In the last financial year, the overall whiteware market in New Zealand declined. However, Fisher & Paykel increased its market share and also maintained its gross margin as a percentage of sales. In Australia, the total whiteware market was down slightly, but Fisher & Paykel increased market share in cooking. However, we were slightly down in other categories. In the North American market, we have adopted a deliberate strategy to manage revenues while pursuing stronger gross margins. This has worked well with a reversal of the previous year's losses of $9.8 million to generate a positive profit of $916,000.

At the same time as we have considerably improved the strength of our balance sheet, the Company has continued to invest over the last year in new product development to rebuild the product portfolio. This year will see the release of a number of new products in the laundry, refrigeration and cooking categories. We know the market is eagerly awaiting these new products and we expect them to lift sales across all categories as the Fisher & Paykel brand consolidates its market position.

We have invested further in the Fisher & Paykel brand to make sure it is unified and globally consistent. We have rolled out new store displays and brought out new collateral, including the history of Fisher & Paykel, which has helped build our reputation in emerging markets such as India.

The Company has made solid progress in its component and technology strategy. The Company's competitive advantage in DirectDrive washing machine motors has seen it secure new contracts for motor sales in the past year. The business has further boosted research and development resources in this area and remains focused on a number of emerging opportunities to leverage its world-leading technologies where it makes competitive sense from both a brand and a finished product perspective.

Over the year we have increased our engagement with Haier, searching for opportunities that can benefit both companies. We are making progress on a number of fronts, and now manufacture motors for Haier's China factories, distribute Haier products in Australia, New Zealand and Ireland. Recently, we have started working on the entry of DishDrawer into the Chinese market with Haier and our production machinery company, PML, is in discussions with Haier on a number of projects. Of most interest in the near term is the opportunity to tailor the DishDrawer for the China market and significant effort has been invested on this in the last twelve months. Unfortunately progress on the retailing of a full range of Fisher and Paykel branded product in China has been exceedingly slow, with the full Fisher & Paykel range suited to this market yet to be confirmed.

The Appliances business has worked hard to keep overheads firmly in check and has also continued to reduce inventory of both raw materials and finished goods. There continues to be an absolute determination to improve product quality and this has resulted in significant improvements, with immediate benefits flowing through to reduced warranty costs.

As part of the ongoing drive to maintain its competitiveness, the Company has undertaken a comprehensive review of the Appliances businesses strategy across its markets, product range, manufacturing, product development and growth opportunities. This strategy was communicated at the Investor Day late last year and in the Annual Report. The strategy sets the roadmap for the Company's future and builds on the improvements and investment over the past three years. Stuart will shortly touch on the progress of key aspects of the strategy.

On the Finance company front Fisher & Paykel Finance continues to be a solid performer, having come through the maelstrom of recent finance company failures with flying colours. The business has delivered a very solid result over the past 12 months, despite losing a large one-off account. It has seen solid growth and has more than replaced the receivables from that lost account. Unfortunately, software litigation involving a USA company resulted in a charge of $6.8m that took some of the shine off the headline result.

I turn now to the group operating result.

OPERATING RESULTS

For the year ended 31 March 2012, Group Profit after tax was $18.4 million compared to $33.5 million for the previous year.

The Appliances business reported an operating profit before interest and tax of $7.3 million compared to $28.8 million last year. After adjusting for items affecting comparability of $3.9 million before tax, normalised profit before interest and tax was $11.3 million.

Total operating revenue for the Appliances business was down 7.6% to $891 million compared to $965 million for the previous year. This reduction in revenue reflected both weaker retail market conditions across our key markets and lower sales volumes in North America, as the business rebalanced for profitable sales. It also reflected unfavourable currency translation effects.

Most pleasingly, gross margin as a percentage of sales increased by 0.9 percentage points to 31.2%. In the context of the tough market conditions, this is a very creditable outcome. However, despite the increased gross margin percentage, gross margin in dollar terms decreased by $13.5 million to $278.4 million for the year due to the reduction in total operating revenue.

In line with remaining competitive in these tough market conditions, overheads were reduced by $10.9 million to $215 million.

As mentioned at the shareholders meeting last year, the Board revised the hedging policy that had been revised in mid 2009 as part of the debt refinancing earlier that year. As a result, the transactional hedging losses of $20.3 million experienced in the first half of the year, were reduced to only $5.3 million in the second half of the year. Transactional hedging losses totalled $25.6 million for the full year.

The Finance business continued to perform strongly and reported a solid result, with operating earnings before tax of $31.0 million compared to $34.7 million for the previous year. After adjusting for $6.8 million of litigation costs before tax, the normalised profit before interest and tax was $37.8 million compared to $34.7 million for the previous year. We are particularly pleased at the enhanced management of credit risk, with bad debt expenses considerably down on the previous year. We have also seen significant growth in the volumes of business transacted through QCard, following increased promotional spend to expand awareness of this product.

The litigation costs arose from a case raised by a US-based software company, which was heard in the High Court in Auckland during late 2011. A judgement on the issue is expected during 2012 and because the issues are extremely complex, the Directors took a prudent decision at the half year to provision for this.

CAPITAL STRUCTURE

During the 2012 financial year, significant progress was made towards further reducing bank debt. At the 31st March 2012, the Appliances business had a total outstanding net bank debt of $65 million – a reduction of $35 million since 31 March 2011.

Debt reduction was achieved despite the business undertaking significant investment in product development, and plant and machinery for the new motor supply contracts. Appliances' capital expenditure for the year was up $24 million to $48 million compared to the previous year. Some $22 million of this capital was spent on motor contracts that have forward order volumes.

It is important to note that the majority of the $48 million of capital investment will not generate revenue until later this financial year, when new products reach the market and motors begin to deliver from new production facilities.

On 11 November 2011 the Company renewed its banking facilities for the Appliances business on materially similar terms and conditions as its previous debt facility.

I turn now to governance.

GOVERNANCE

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

Peter Lucas retired from the Board in March this year, as part of the announced Board refreshment programme. On behalf of the Board I would like to thank Peter for his extensive contribution as an independent director over his ten year tenure.

When I stood before you this time last year, I mentioned two potential director candidates who were in the process of undertaking due diligence before joining the Board. I am pleased to say that both Lynley Marshall and Philip Lough joined the Board in September last year and will stand for election at this meeting.

Lynley has extensive commercial retail and media experience and brings a dimension to the Board at a time when brand, communication and digital media strategy is increasingly important in securing our position in the retail market. Lynley is based in Melbourne, and her Australian experience and proven track record at delivering business growth make her a very strong addition to the Board.

Philip Lough is currently the Chairman of Methven Limited and Quotable Value, Deputy Chairman of Port Nelson Limited and a Director of Livestock Improvement Corporation. Philip is well known in business circles, having been a senior executive in the Dairy Board and Chief Executive of Sealord through his extensive career. He brings a wealth of international experience, especially in the area of partnerships and ventures and has very strong governance credentials.

We are delighted to have secured such high calibre new members for the Board.

On another note, today we farewell and pay tribute to Gary Paykel, who retires from the Board.

Gary commenced employment with Fisher & Paykel in 1960. After a career in all aspects of the Company's operations he was appointed Sales Director in September 1979 and in subsequent years served as Managing Director & Chief Executive Officer, Executive Chairman, Chairman and Director.

Gary, the Board would like to acknowledge and thank you for your 52 years of service and dedication to the Company. During your time in office there have been periods of dramatic change where the Company has faced its share of economic challenges. You have weathered many a storm in guiding Fisher & Paykel through, at times great turmoil. You should be incredibly proud of the innovative culture you have vigorously nurtured. Behind every product there is a story and you have been involved in most of these stories. Your contribution has been immense and your passion for progressive product innovation and development remains ablaze in the global Appliances company that you have helped build and one which is renowned globally for its leading-edge technology, product innovation and design. You have also supported the vision for the Finance company.

We wish you and your wife Dot all the best for the future.

With Gary's retirement, the Board refreshment programme that started in 2010 is now complete. In the past two years we have brought to the Board new directors that have the right mix of skills to take the Company forward. The Board now consists of seven members and at this stage there are no plans to increase membership.

The Finance company continues to maintain its own separate Board of Directors. Following John Gilks retirement from the Board in August 2011, John remained on as Chair of the Finance Board until July of this year. We would like to thank John for his outstanding contribution to Fisher and Paykel Finance during his more than 25 years service to both establish and guide that Company to the successful business that it is today. To replace John, Carlos da Silva was appointed as Chair of the Finance Board in July. Carlos joined the Finance Board as an independent director in December 2010 and is a strong successor to John.

PEOPLE

The Board is only too aware that during tough trading conditions, exceptional demands are made on staff. On top of this, the demands of a wide-ranging strategic review in all parts of the business have placed further burden on the senior executive. We want to acknowledge the effort and commitment of all staff right across the globe to position the Company for success. We especially want to recognise the team in North America, who have turned a business making a significant loss into a business making a small but growing profit. We also want to acknowledge the enormous drive, commitment and determination of the Managing Director and Chief Executive Officer – Stuart Broadhurst, for the effort that he has put in to this company. He has worked tirelessly over the last twelve months to restore the competitiveness of Fisher & Paykel, and restore its optimism for the future.

Ladies and gentlemen, I will now hand over to Stuart.

Following Stuart's address I will cover dividends and the outlook for the remainder of the year.

CHIEF EXECUTIVE OFFICER – STUART BROADHURST

Good afternoon ladies and gentlemen.

It is also my pleasure to welcome you here to Fisher & Paykel.

Introduction

Today I will provide an update on the market conditions that we experienced though the first quarter of the 2013 financial year and provide an update of earnings for the four months up to the end of July.

Following this I would like to spend some time talking about our strategy and the new products which will be released to the market this financial year.

Turning now to the first quarter result.

The Appliances business has made a positive start to the year, despite market conditions remaining tough across our key markets.

First quarter revenue excluding PML was down 6% in New Zealand dollar terms on the first quarter last year, primarily due to a continuing focus on improving margins, which has reduced volumes. The strength of the New Zealand dollar has meant sales in other currencies are lower in New Zealand dollar terms compared to the first quarter last year.

Pleasingly, gross margin in dollar terms has increased by $5 million, compared to the first quarter last year while the gross margin percentage has improved to 32%. During the quarter we benefited from lower raw material prices and a reduction in the cost of importing finished product, particularly into Australia due to a stronger Australian dollar.

Overheads were also down and we didn't experience any significant transactional hedging losses, compared to the same corresponding quarter last year.

All of this has led to stronger earnings which I will highlight shortly.

I will now touch briefly on our key appliances markets.

New Zealand

In New Zealand we have seen a continuation of soft retailing conditions during the first quarter. Appliance imports for the industry were down 6.5% in unit terms year on year.

Overall sales revenues are down 5% on the first quarter last year. Sales of Fisher & Paykel branded products are down compared to the first quarter last year, although mix has improved. Sales of Haier branded products have continued to increase off a low base.

Total gross margin in dollars for the quarter was up on last year, despite the inclusion of a higher proportion of lower margin Haier branded products. Gross margins for Fisher & Paykel branded products have increased slightly on last year due to mix improvements and lower raw material costs.

Australia

The Australian market for appliances declined by 3% compared to the March 2012 quarter. Consumer sentiment continues to remain subdued. The quarter was also impacted by a large retail group being placed into liquidation. While we successfully mitigated any credit exposure, this event did add to the already challenging market conditions.

Overall sales revenues are down 4% in local currency terms on the first quarter last year.

Pleasingly, gross margin for the quarter was up on last year, for Fisher & Paykel branded products due to mix improvements, lower raw material prices and the high Australian dollar.

The sale of Haier branded products is also progressing well and we are working to broaden our distribution channels.

North America

The U.S. market was down 1.5% in unit terms compared to the March 2012 quarter, although there are some signs consumer sentiment is improving.

Our first quarter sales were down 4.5% in US dollar terms as we continue to focus on margins and profitable sales. Pleasingly, gross margin in US dollar terms is up on the same quarter last year in part due to strong DCS branded sales, in particular DCS outdoor cooking product.

The change in product mix across both the DCS and Fisher & Paykel brands is encouraging as we move into the second half of the financial year.

International

There have been mixed results in other markets around the world during the first quarter. Difficult market conditions continue in Europe, although we have seen our sales in the U.K. improve. We have also seen an improvement in sales in other rest of world markets such as the Middle East.

Finance Business

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

Compared to the first quarter last year, the business has experienced slightly higher net margins. Costs have also been contained and bad debt expense has reduced. The business experienced lower funding costs over the period compared to last year as funding costs ease.

Gross Receivables have reduced slightly from March 2012 levels, reflecting softer retailing conditions. That said Q Card and Farmers Finance Card new business volumes have increased. New merchant additions for the Q card offering have grown strongly. This year we are also focused on enhancing the Farmers Finance card. Last week we launched the "Pay later" product on the Farmers Finance Card, which allows up to 90 days interest free, and gives cardholders more flexible payment options.

The business continues to employ a strategy of maintaining funding diversity. We have enjoyed good support for retail debenture funding in the last quarter. We cancelled $85 million of wholesale banking facilities during the quarter to eliminate unnecessary costs. Some of these facilities were in place to cover any shortfall in the debenture book which might have arisen following the expiry of the Crown guarantee scheme in December 2011.

We are still awaiting judgement under the Karum litigation case. Our position and strategy on this matter remains unchanged. We anticipate a judgement some time this year.

YTD July result

I turn now to our July earnings update.

The Company has made a solid start to the financial year with group net profit after tax of $12.3 million for the four months ended 31 July 2012. This compares to $4.7 million for the prior corresponding period. Importantly, the business did not experience any significant transactional hedging losses compared to the prior corresponding quarter.

The Finance business has made a strong start with earnings before interest and tax of $10.9 million for the first four months compared to $10.2 million for the same period last year.

The Appliances business has achieved earnings before interest and tax of $9.1 million for the four months ended 31 July 2012 compared to breakeven for the same period last year. The result includes one off costs associated with production relocations. This result represents the best start to a financial year for the Appliances business for some considerable time. With the second half of the year also set to benefit from the release of new products and the start-up of sales from the two new motor plants, the business is on track to exceed last financial year earnings by some considerable distance.

These results are based on unaudited management accounts.

Haier Partnership

I turn now to our strategic partnership with Haier.

Our relationship with Haier continues to develop. I am pleased to report that we have commenced production of direct drive motors for Haier under the Technology Supply Agreement signed in March 2011. Production will ramp up over the course of the current financial year.

In the last week, PML has been contracted by Haier to manufacture a second washing machine bowl line. PML continues to offer Haier a path to upgrade to world class automated manufacturing facilities which deliver better quality product. Given the scale of Haier's operations, numerous opportunities exist for our PML business.

As Keith mentioned, sales of Fisher & Paykel branded product into China have been slower than previously expected. The process for certification has been frustratingly slow and for many products standards approval will not be completed before the end of the financial year. Late this year we will boost support in China to assist Haier to deliver increased sales.

Five Main Things

I will now provide an update on the five main things we remain focused on.

The first is Delivering Customer Benefits

Our aim is to understand our customer better than any one else and deliver an experience and products that exceed their expectations. To achieve this we have increased our investment in product, brand, customer interaction points, and people over the past few years.

We have been steadfast in our resolve to ensuring that the quality of our product builds and enhances the reputation and value of the Fisher & Paykel brand. We know our customers demand quality products and we have invested heavily in systems and processes in order to improve the quality of our products across design, manufacture and installation. This programme has been very successful – as the results show (refer graph) our product quality has improved dramatically in recent years and while it is now clearly better than the competitor product that we do test we are determined to set the standard for others to follow.

While the quality of the product we sell today has never been better we do recognise that the reliability of some of our earlier products was not as good as we would have liked. On the occasion that something isn't quite right we stand by our products and make sure we waste no time in putting things right. In our 2012 financial result, as part of our ongoing drive for excellence in quality, we announced a $3.0 million provision had been set aside to deal proactively with any remaining legacy product quality issues.

The latest parts replacements are being handled swiftly and we have received positive feedback from our customers. For Fisher & Paykel being transparent and honest, and looking after customers who may have bought our appliances a long time ago, is part of the Fisher and Paykel brand's commitment to quality.

The second imperative is Disciplined Market Growth

Our market strategy is well defined and targeted. We will protect and grow our home markets of New Zealand and Australia, whilst seeking profitable growth in North America and in other niche market segments. China and India are long term growth options, as both are expected to enjoy double digit growth per annum in appliance sales over the next five years.

We have continued our journey to revitalise the Fisher and Paykel brand and more proactively present our story. While we are known for developing world leading products we are now working to support this with the wider customer requirements that build a strong reputation beyond just having high performance products. We are continuing to roll out new store display formats across our markets and build on our reputation for hosting exceptional world class events such as the Urbis design day and the Good food and wine shows in Australia.

The third is Organisational Capability

We continue to enhance our environment to ensure we can recruit, retain and harness the talented people needed to achieve our goals. We have a focused, very passionate team working with the right tools on the high leverage work needed to take the business forward.

Business Excellence is the Fourth

We continue to embed the business excellence framework to build knowledge and best in class processes to ensure we deliver ongoing improvement across the business.

And finally – Reducing Costs

We are vigorous in our drive to identify and deliver on cost reduction opportunities. We are focused on lean thinking and continually seek to optimise costs in a way that does not damage our ability to deliver on customer expectations.

Strategy

As Keith mentioned, last year we undertook a comprehensive review of our strategy for the Appliances business to augment our focus on the five main things.

Our strategic agenda has two main themes,

- firstly to improve the core Appliances business and
- secondly seek to monetise our technology investments to diversify earnings.

The core Appliances business is focused on ensuring that we put our customers at the centre of everything we do. Our business units have plans in place to ensure all activity is aligned to delivering value and real benefits to our customers.

We also need to execute our market strategy and deliver on our product plans. Pleasingly we are seeing this in action with many of the new products delivered on display here today.

The second theme is to diversify earnings by growing our component and technology business, which today includes direct drive motors, and our new compressor. We have expanded this to include original equipment manufacture opportunities. We have a number of opportunities to monetise our technology, but we will only do so in a way that is complementary to building the core Appliances business.

I will now touch on five key opportunities identified by the business to further improve earnings.

Five Key Opportunities

Firstly Cooking

Fisher & Paykel has a 100 year heritage in cooking and is well positioned to leverage both the Fisher & Paykel and DCS brands to improve earnings. In the past two years we have increased our investment in cooking products as evidenced by the release of new cooktops, new DCS United ranges, and upcoming 60cm built in oven.

Our innovation in cooking extends well beyond the physical products. We have improved our brand presentation, product training, contact with key influencers, and online content. Our “Social Kitchen” concept has won prestigious design awards in Europe and the U.S. and has set the benchmark in the industry for events such as Urbis design day. Our food blog is generating global interest on the back of a dedicated and passionate team right here at Fisher & Paykel. This website is generating over 90,000 unique visits per month. As a consequence we have seen sales of cooking products lift and we are now taking our cooking approach into the wider context of our kitchen strategy.

Second is North America

North America is a growth opportunity for the Company and the team led by Laurence Mawhinney have done a fantastic job of refocusing on profitable sales, reducing operating costs and delivered a small profit in the last financial year. A vast improvement on the previous 2 years where losses were $9.8m and $15.2 million respectively. While this is pleasing, we know the potential is greater and can be delivered in the current market conditions. In the next few years the strength of the Fisher & Paykel and DCS brands backed by new product releases and improved brand positioning will deliver earnings growth for the Company.

Thirdly the Global Manufacturing Location Review

As announced last year, we have been completing work on the final steps of our global manufacturing location strategic review. This review has focused on ensuring our facilities are operating at the fore-front of advanced manufacturing technologies and processes. This work is well advanced.

We have been reviewing the location of our manufacturing facilities to ensure we remain competitive in the long term. In the current financial year we relocated the manufacture of the large top mount refrigeration models from New Zealand to Thailand in order to reduce costs and to avoid the need to duplicate capital spend on plant and equipment as we upgraded the product. Regrettably, this led to 34 redundancies. We know this is a difficult issue to confront, but we must continue to improve our business.

The introduction into the Thailand and Mexico factories of the new generation of products combines with the potential for further rationalisation of existing manufacturing facilities. Further work is required to determine the right solution, however we expect to undertake any changes in a manageable, incremental number of steps over the next three to four years.

The remaining two opportunities relate to our strategy of seeking to monetise our technology to diversify earnings.

Components & Technology

I turn now to our fast growing components and technology business.

In the past two years we have grown our components and technology business through the addition of two new major customers for direct drive motors. Production from both motor lines will ramp up over this current financial year. We now have three foundation customers and are in discussions with other global manufacturers. In the past year our research and development has taken a step forward as we further improve the technology to strengthen our competitive advantage and broaden the application of our know-how into non-washing machine related fields.

Our three foundation contracts are expected to generate revenue between $56 and $86 million in the 2014 financial year. Our goal for the financial year ending in March 2016 is to generate revenue of between $120m to $160 million from direct drive motor contracts. Our progress over the past twelve months gives me confidence that we will win new contracts and achieve these targets.

Our new compressor developed in conjunction with Embraco is in field trials and all indications are that the product is performing ahead of expectations. The new compressor represents a step change for the industry. The new compressor could achieve sales of between three million to five million per annum in five years and Fisher & Paykel will receive a royalty on every compressor sold, without the obligation to contribute capital.

Original Equipment Manufacturing

We are also investigating the sale of technology to other parties on an original equipment manufacturing basis. We are working closely with Haier to adapt the DishDrawer dishwasher to the Chinese market and we have starting shipping small numbers to China from our Mexican facility. The potential in China is significant and while penetration of dishwashers in China is low today, it is expected to increase substantially. Haier and Fisher & Paykel have the opportunity to cement the DishDrawer as the platform of choice for dishwashing in the Chinese market.

In summary the strategic plan provides clarity and direction for the business. Our 2016 financial year objectives are to target revenue growth of between 2% and 4% per annum, achieve earnings before interest and tax margin of between 6% and 8% and generate a return on invested capital of at least

15%. While these financial objectives are a significant step from the actual results achieved in the last couple of years, I am confident that we have plans in place to achieve these targets.

Fisher & Paykel Finance

I turn now to the Finance business.

There are opportunities to grow the business without losing focus on the core business of consumer point of sale solutions.

We have plans in place to grow Q card and Farmers Finance card receivables and enhance our other product offering. Going forward the business is focused on:

- Fully developing the partnership with Farmers Trading Company.
- Broadening merchant reach from 15% to 20% over the next two years.
- Targeting new retail channels, for example the health and agriculture sectors and promoting customer loyalty to retailers

We will be delivering further technology solutions to customers including digital and on-line and expanding gift and cash card offerings.

The business will look to grow via selective acquisition and via partnerships for white label opportunities for retail stores. Any acquisitions considered would remain squarely within our core portfolio of receivables.

New product development

Finally, I would like to share more about what one key element of our strategy is beginning to deliver. For the past two years we have invested heavily in new product development, many of which will be released over the next nine months.

In laundry, we release our first new laundry platform in 20 years, with the 10kg capacity top load washer. This product is powered by our SmartDrive direct drive motor technology and in addition to increased capacity, significantly enhances wash performance and water efficiency. Early next year will also see the release of a new Fisher & Paykel front load washer into the Australian and New Zealand markets. This product will also be powered by our SmartDrive direct drive technology and will incorporate our latest wash performance and design aesthetics.

This year we will release two new refrigerators in the popular 790mm width, including a 790mm wide French Door. This is a welcome addition to our already extremely successful 900mm French Door refrigerator.

Before the arrival of summer in Australia and New Zealand we will be releasing into these markets our premium DCS grill product. This product is the market leader in the premium grill segment of the North American market. DCS has a strong heritage in commercial grade residential cooking appliances. This offering will fill out our premium cooking product range in Australia and New Zealand and were recently show cased in the Master Chef New Zealand television show.

For cooking we will also have a new oven which establishes a new benchmark for the category and is on display here today. In addition we will have a whole new range of cooktops, both stainless steel and glass versions using gas, induction, and electric across a range of sizes for all markets. There will also be two new 90cm freestanding ranges, including one with an induction cooktop.

These are just some of the examples of new products we are bringing to market over the next nine months. These products add to those recently released, the Phase 7 DishDrawer, the new upgraded washing machine models in Australia and New Zealand and multiple upgrades for our key active smart refrigeration products. In cooking, we released a new range of DCS indoor cooking products, a new range of gas on glass cooktops and our companion range of built-in products.

This is an exciting time for Fisher & Paykel and importantly our customers. We have not seen the release of so many products in such quick succession for many years and we expect the new product releases to lift sales in the current financial year and into next year.

People

Our people are crucial to the ongoing success of this Company. They have worked incredibly hard in the past year. I would like to thank our staff for their tremendous effort and dedication.

Summary

In summary the 2012 financial year was very positive. We took a huge step forward in terms of delivering on our goals. I am pleased to say that we are making progress on the five main things and the key opportunities. Fisher & Paykel Finance continues to perform well.

With the growth of our component and technology business, we now view Fisher & Paykel as having three distinct businesses, being Core Appliances, Fisher & Paykel Finance and now Components & Technology. Fisher & Paykel has a rich history of growing great businesses from within, for example Healthcare. We see the component and technology business as being no different and when appropriate we will consider segmenting the reporting of revenue and earnings for this business.

We have made a solid start to the financial year which is encouraging in such a pivotal year for the Company. It is a year in which our investment in products and motor contracts over the past two years will start to generate earnings. As a result our earnings run rate for the remainder of the year and into the next financial year is stronger. While downside risks remain, the business is well positioned.

When I stood before you two years ago the future was less certain and we had a lot of hard work ahead of us. While the hard work is by no means finished, we now have momentum. Our strategy is firmly in place and I am confident we are on track to generate a healthy return for shareholders.

Ladies and Gentlemen, this concludes my comments today and I now hand back to Keith. Thank you.