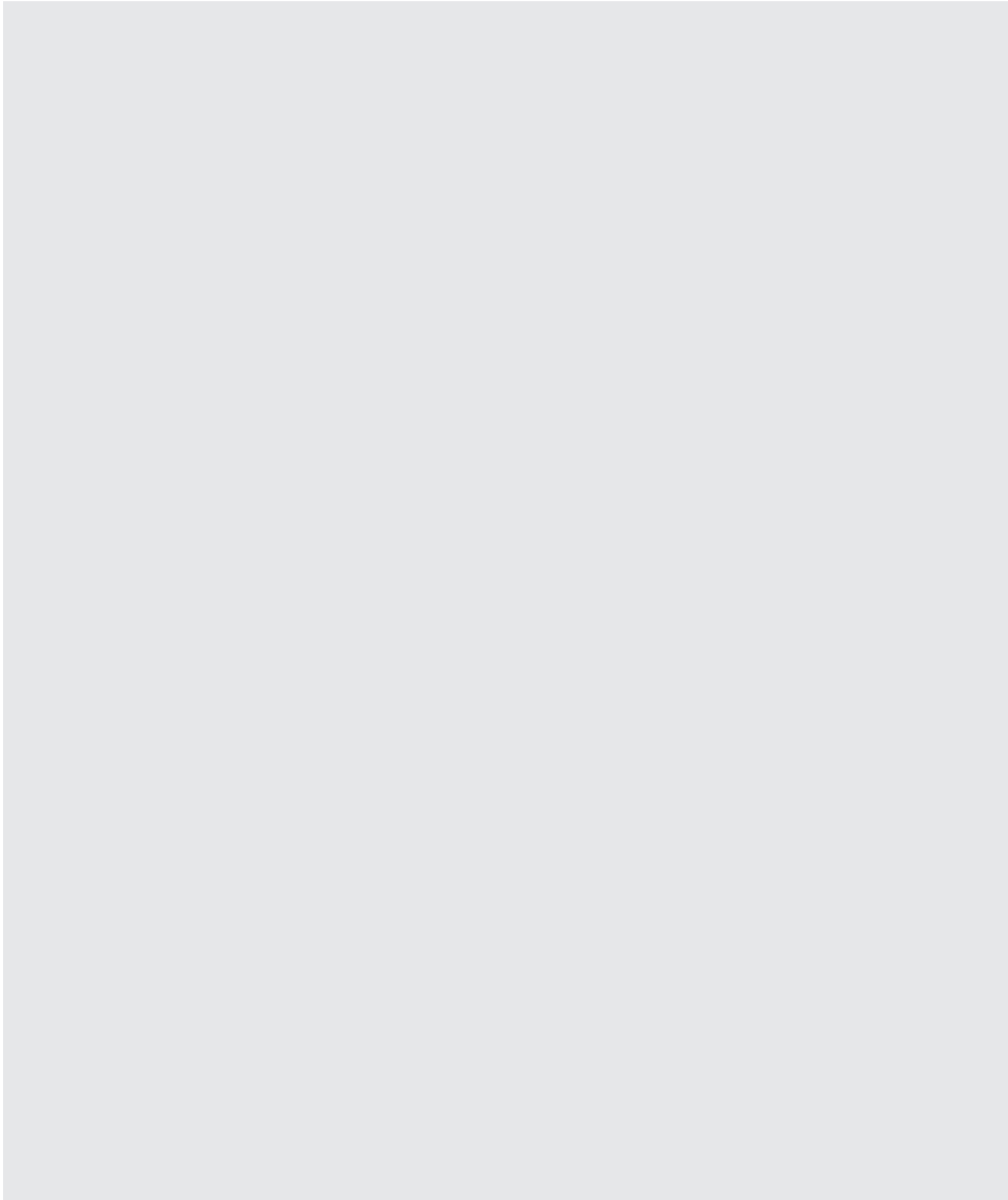


Fisher & Paykel Appliances Holdings Limited

**DIVIDEND REINVESTMENT PLAN
OFFER DOCUMENT
12 MAY 2008**



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**This document is important.
If you do not understand it or are in any doubt as to how to act you should consult your financial adviser immediately.**

This is not investment advice and does not take into account the investment objectives, financial situation or particular needs of an investor. You should consult with your financial or other professional adviser prior to making a decision whether or not to invest in the Dividend Reinvestment Plan.

2 KEY FEATURES

Shares

The Plan enables Eligible Shareholders to elect to invest their dividends on all or any of their Shares and receive additional Shares instead. The Plan is a simple and convenient way for Eligible Shareholders to increase their investment in Fisher & Paykel Appliances Holdings Limited (the Company) by acquiring further Shares free of brokerage charges.

Eligibility

All holders of Shares with registered addresses in New Zealand and Australia are eligible to participate in the Plan. Holders of shares with registered addresses outside New Zealand and Australia are currently excluded from participating in the Plan given the legal requirements associated with offering the Plan in the relevant foreign jurisdictions.

Full or Partial Participation

Eligible Shareholders may elect to participate in the Plan in respect of all or some of their Shares. Participation in the Plan applies to all future dividends on Shares participating in the Plan (unless an Eligible Shareholder varies their level of participation by completing a Variation Form).

Price of Shares

Shares allocated to participating Eligible Shareholders under the Plan will be priced at a 2.5 per cent discount to the average of the volume weighted average sale price of price setting trades of Shares on the NZSX and the ASX over a period of 10 trading days commencing on the third business day after the Shares first trade ex-dividend on the NZSX for the applicable dividend.

Shares Rank Equally

Shares issued under the Plan will rank equally in all respects with existing Shares and can be sold at any time subject to compliance with the Constitution and legislative requirements.

Statements

Eligible Shareholders who elect to participate in the Plan will be sent a statement providing details of their total dividend entitlement and the number of additional Shares allocated to them under the Plan. This statement will be sent promptly after each dividend payment date.

Flexible Joining, Variation and Withdrawal Arrangements

Eligible Shareholders can join the Plan, vary their participation or withdraw from the Plan at any time by forwarding a Participation Form or Variation Form to the Share Registrar as appropriate, with such variation or withdrawal to be effective on the first Record Date after the form is received by the Share Registrar.

Participation in the Plan allows Eligible Shareholders to elect to increase their investment in the Company by acquiring additional Shares free of brokerage charges.

The following options are available for Shareholders wishing to participate in the Plan:

1. Full participation

You can elect full participation. This will mean that all of your Shares (including any future Shares purchased by you or issued to you under the Plan) will be treated as participating in the Plan.

2. Partial participation

You can elect partial participation. This will mean that only the number of Shares nominated by you (and the dividends paid on them) will participate in the Plan. Partial participation in the Plan means that the Terms and Conditions of the Plan will apply, now and in the future, only to the number of Shares specified and the Shares issued to you through your partial participation, until you advise the Company otherwise in accordance with the Terms and Conditions. You will continue to automatically receive by cheque or direct credit any dividend on any of your Shares which are not included in the Plan.

3. Continue to receive all dividends in cash

If you do not wish to participate in the Plan, you are not required to do anything. You will continue to automatically receive by cheque or direct credit any dividend on all of your Shares.

If, at a later date, you decide you wish to participate in the Plan on either a full or partial basis or you wish to change your election, you should complete the enclosed Participation Form or Variation Form as appropriate and forward it to the Share Registrar. Your new election will be effective as to dividends payable in relation to the first Record Date after receipt by the Share Registrar of a properly completed Participation Form or Variation Form.

HOW TO PARTICIPATE

Participation Form

In order to participate in the Plan an Eligible Shareholder must complete the Participation Form enclosed in accordance with the instructions on that form.

If you tick the Full Participation box:

the Terms and Conditions of the Plan will apply to your total holding of Shares, both now and in the future.

If you complete the Partial Participation box:

the Terms and Conditions of the Plan will apply, both now and in the future, only to the number of your Shares nominated by you on the Participation Form and the Shares issued to you through your partial participation until you notify the Share Registrar in writing of a variation or you sell your total shareholding.

Eligible Shareholders must then return the completed Participation Form to the Share Registrar using the postage paid envelope provided.

When Participation becomes effective

A properly completed Participation Form will need to have been received by the Share Registrar prior to 5.00pm (NZ time) on a Record Date in order for participation to be effective as to dividends payable in relation to that Record Date.

Variation of Participation

Participating Eligible Shareholders may elect to vary their participation or withdraw from the Plan at any time by forwarding a Variation Form to the Share Registrar. The form will be effective from the first Record Date after that form is received by the Share Registrar.

The Plan enables Eligible Shareholders to elect to invest their dividends on all or any of their Shares and receive additional Shares instead. The terms and conditions of the Plan (the Terms and Conditions) as determined by the Board as at 12 May 2008 are set out below.

Capitalised terms used in these Terms and Conditions have the meaning set out in clause 14 of these Terms and Conditions.

1. Eligibility

1.1 Offer to shareholders

a. Subject to clause 1.2, Fisher & Paykel Appliances Holdings Limited (the Company) offers to all Eligible Shareholders the right to elect to participate in the Plan.

b. Eligible Shareholders may elect to participate in the Plan by exercising one of the following options:

i. Full Participation

If an Eligible Shareholder elects full participation, participation in the Plan will apply to all Shares registered in that Eligible Shareholder's name from time to time.

ii. Partial Participation

If an Eligible Shareholder elects partial participation, only the number of Shares nominated by that Eligible Shareholder will participate in the Plan. If an Eligible Shareholder holds less than the nominated number of Shares, then the Plan will apply to such lesser number of Shares.

iii. Non-Participation

If an Eligible Shareholder does not wish to participate in the Plan and they wish to receive dividends or distributions in cash, they are not required to do anything.

c. The holders of Shares registered in a name other than their own (for example, in the name of a broker, bank or other nominee) may not participate in the Plan directly but may, subject to clause 1.2, be able to make arrangements whereby the registered owner of the Shares participates in the Plan on their behalf.

d. The holders of any Shares over which the Company has a lien or charge in accordance with the Constitution or other requirements of law are not eligible to participate in the Plan in respect to those Shares.

1.2 Foreign Shareholders

a. The Board, in its discretion, has elected not to offer participation under the Plan to shareholders whose addresses in the Share Register are outside New Zealand and Australia as the Board considers that to do so would be unreasonable having regard to the associated costs of ensuring that the laws of those places are complied with. The Board may, in its absolute discretion, elect to amend this policy.

b. Shareholders who are not resident in New Zealand or Australia and who hold their Shares through a New Zealand or Australian resident nominee should not allow their nominee to participate in the Plan if participation in respect of their Shares would be contrary to the laws of their country of residence.

b. Any person residing outside New Zealand and Australia who participates in the Plan through a New Zealand or Australian resident nominee will be deemed to represent and warrant to the Company that they can lawfully participate through their nominee. The Company accepts no responsibility for determining whether a shareholder is able to participate in the Plan under laws applicable outside New Zealand and Australia.

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2. Source of Additional Shares

Additional Shares to be acquired by participants under the Plan may, at the Board's discretion, be:

- a. new Shares issued by the Company;
- b. existing Shares acquired by the Company or a nominee or agent of the Company; or
- c. any combination of (a) and (b) above.

3. Additional share entitlement

3.1 General

The number of Additional Shares to be acquired by an Eligible Shareholder who has elected to participate in the Plan will be:

- a. based on the amount of the dividend the Eligible Shareholder would otherwise have received in cash; and
- b. calculated on the basis that the price of the Additional Shares will be 97.5 per cent of the market price of Shares, as determined in accordance with the formula set out in clause 3.2.

3.2 Formula for calculation of number of Additional Shares

a. Subject to this clause 3, the number of Additional Shares to be acquired by an Eligible Shareholder who has elected to participate in the Plan (referred to as **AS** in the following formula) will be calculated in accordance with the following formula:

$$AS = \frac{S \times D}{C}$$

Where:

S is the number of Shares in respect of which an election to participate in the Plan has been made (subject to any variation in accordance with clauses 6.3 and 6.4).

D is the amount of the dividend (expressed in cents and fractions of cents and after deduction of any amounts of resident and non-resident withholding (or other) taxes if any) payable by the Company in respect of the dividend payable for each participating Share which would otherwise have been paid to a Shareholder in cash if the Shareholder had not elected to participate in the Plan.

C is 97.5 per cent (representing a 2.5 per cent discount) of the average of the volume weighted average sale price (expressed in cents and fractions of cents and converted into New Zealand dollars at the rate displayed at 11.10am (NZ time) on the date of calculation on the Reuters Monitor Screen Page RBNZ01) for a Share calculated on all price setting trades of Shares which took place through the NZSX and the ASX over a period of 10 trading days commencing on the third business day after the Shares first trade entitlement on the NZSX for the relevant dividend. If no sales of Shares occur during those 10 trading days, then the average of the volume weighted average sale price will be deemed to be the sale price for a Share on the last price setting trade of Shares which took place prior to such trading days as determined by NZX.

Any average of the volume weighted average sale price so determined may be adjusted by the Board, in its absolute discretion, to allow for any bonus or dividend expectation. If, in the opinion of the Board, any exceptional or unusual circumstances have already affected the weighted average sale price so determined, the Board may make such adjustment to that sale price as it considers reasonable.

The determination of the price of the Additional Shares by the Board or some other person nominated by the Board will be binding on all Eligible Shareholders with Participating Shares.

b. Where the number of Additional Shares calculated in accordance with the above formula includes a fraction, then the number of Additional Shares to be acquired by a participant shall be rounded down to the nearest whole number.

3.3 Share price information publicly available

The Company will ensure that at the time the price for the Additional Shares is set under clause 3.2 it will have no information that is not publicly available and would, or would be likely to, affect materially and adversely the price or value of the Shares if it was publicly available.

3.4 Compliance with laws, listing rules and Constitution

- a. The Plan will not operate in relation to a dividend to the extent that the allotment or issue of Additional Shares under the Plan would breach any applicable law, the listing rules of the NZSX or the ASX or any provision of the Constitution.
- b. If and to the extent that the Plan does not operate for such reason in respect of a participating Eligible Shareholder's Shares, the relevant dividend on Shares participating in the Plan will, until such time as the issue is resolved, be paid or distributed in the same manner as to Eligible Shareholders not participating in the Plan.

4. Operation of the Plan

4.1 Additional Shares

- a. Each Eligible Shareholder participating in the Plan is deemed to have directed the Company to apply any cash dividend that is available for payment in respect of their Participating Shares at the relevant Record Date as payment for the Shares to be issued or transferred under the Plan.
- b. The number of Shares to be issued or transferred to a participating Eligible Shareholder shall be determined in accordance with clause 3.
- c. The Company will, on the day that an Eligible Shareholder participating in the Plan would otherwise have been paid a dividend in cash, either issue new Shares or arrange the transfer of existing Shares to that Eligible Shareholder.

4.2 Terms of issue and ranking of Additional Shares

Any Additional Shares issued to Eligible Shareholders under the Plan will be issued on the terms set out in this Plan and, subject to the rights of termination, suspension and modification set out in clause 6, will not be issued on any other terms and will all be subject to the same rights as each other. The Additional Shares issued to shareholders under the Plan will, from the date of issue, rank equally in all respects with each other and with all other Shares on issue as at that date.

5. Statements to participants

The Company will send to each Eligible Shareholder who has elected to participate in the Plan, on each dividend payment date, a statement detailing in respect of that Eligible Shareholder:

- a. the number of Shares of the Eligible Shareholder as at the relevant Record Date;
- b. the number of Participating Shares of the Eligible Shareholder as at the relevant Record Date;
- c. the amount of the cash dividend and the amount paid in respect of (i) Shares nominated by the Eligible Shareholder for participation in the Plan and (ii) Shares not nominated for participation in the Plan (if applicable);
- d. the amount of any taxation deduction or withholding in respect of the cash dividend;

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- e. the total number of Additional Shares acquired by the Eligible Shareholder under the Plan determined as at that Record Date and the price of those Additional Shares; and
- f. advice as to the amount of any imputation or other taxation credits in respect of the cash dividend.

6. Termination, suspension and modification

6.1 Termination by the Board

The Board may at any time and from time to time in its sole discretion do any of the following:

- a. Terminate or modify the Plan. If the Plan is modified, then a Participation Form will be deemed to be a Participation Form under the Plan as modified unless that Participation Form is subsequently withdrawn by the Eligible Shareholder in accordance with clause 6.3.
- b. Suspend the operation of the Plan so that it will not apply to the whole or part of any dividends and that the dividend or the balance of the dividend, as the case may be, will be paid in cash.
- c. Resolve that participation will not apply to the whole or any part of any dividend and that the dividend or the balance of the relevant dividend (as the case may be) will be paid in cash.
- d. Resolve that in the event of the subdivision, consolidation or reclassification of the Shares into one or more new classes of Shares, that a Participation Form (subject to any variation in accordance with clauses 6.3 and 6.4) will be deemed to be a Participation Form in respect of the Shares as subdivided, consolidated or reclassified unless such Participation Form is subsequently withdrawn by the participating Eligible Shareholder in accordance with clause 6.3.
- e. Resolve that a Participation Form will cease to be of any effect.

6.2 Prior notice

Notice of any modification or termination of the Plan by the Board in accordance with clause 6.1 will be given to all Eligible Shareholders participating in the Plan by sending written notice of that modification or termination to the address of Eligible Shareholders appearing in the Share Register at least 10 days prior to the modification or termination becoming effective.

6.3 Variation or termination by a Participating Shareholder

A participating Eligible Shareholder may, at any time, by completing a Variation Form in the form enclosed and returning it to the Share Registrar:

- a. increase or decrease the number of the Eligible Shareholder's Shares which are participating in the Plan; or
- b. terminate the Eligible Shareholder's participation in the Plan.

Additional Variation Forms may be obtained from the Share Registrar.

6.4 Variation or termination effective

A variation or termination under clause 6.3 will take effect immediately upon receipt by the Share Registrar of such Variation Form provided that any form received between a Record Date and the corresponding payment date will take effect on the following such Record Date.

6.5 Death of Participating Shareholder

If an Eligible Shareholder participating in the Plan dies, participation by that Eligible Shareholder will be terminated by the Company upon receipt by it of a notice of death in a form acceptable to the Company. The death of one of two or more joint Eligible Shareholders will not automatically terminate participation.

7. Reduction or termination of participation where no notice given

7.1 Dispositions where partial participation

Where an Eligible Shareholder who is participating in the Plan in respect of some but not all of its Shares disposes of some of its Shares then, unless the Eligible Shareholder notifies the Company otherwise in writing:

- a. the Eligible Shareholder will be deemed to have disposed of Shares which are not participating in the Plan if the total number of non-participating shares held by the Eligible Shareholder is greater than the number of Shares being disposed of by the Eligible Shareholder; and
- b. if the number of Shares disposed of is greater than the number of the Eligible Shareholder's Shares which are not participating in the Plan, the Eligible Shareholder will be deemed to have disposed of all of the Eligible Shareholder's non-participating Shares, first, followed by Shares participating in the Plan.

7.2 Partial dispositions where full participation

If an Eligible Shareholder with full participation disposes of part of its holding of Shares without giving the Company written notice terminating the Eligible Shareholder's participation in the Plan, the Eligible Shareholder will be deemed to have terminated their participation in the Plan with respect to the Shares disposed of from the date the Company registers a transfer of those Shares.

7.3 Disposition of all Shares

If an Eligible Shareholder disposes of all of their holding of Shares without giving the Company written notice terminating the Eligible Shareholder's participation in the Plan, the Shareholder will be deemed to have terminated participation in the Plan from the date the Company registers a transfer of those Shares.

8. Taxation

The taxation summary set out in this clause 8 is general. It does not take account of the circumstances of individual Eligible Shareholders and the specific tax consequences to them of participation or non-participation in the Plan, which may vary considerably. Eligible Shareholders should not seek to rely on this general summary but should seek their own tax advice. The Company does not accept any responsibility for the financial or taxation effects of an Eligible Shareholder's participation or non-participation in the Plan.

The statements below in relation to taxation are based on current New Zealand and Australian taxation laws at the date of this Offer Document, and, as such, are subject to any change in New Zealand or Australian taxation laws.

8.1 New Zealand Shareholders

For tax purposes, New Zealand resident Eligible Shareholders will be treated as receiving a taxable dividend from the Company which is then applied to purchase or subscribe for Additional Shares. The dividend treated as being received, together with the amount of any attached imputation credits, will be taxable to the Eligible Shareholders at their respective marginal tax rates. Where the dividend paid by the Company carries imputation credits, the resident withholding tax liability will be reduced by the amount of the imputation credits.

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8.2 Australian Shareholders

New Zealand taxation

Australian Eligible Shareholders will also be treated as deriving a dividend in the first instance which is then reinvested in Additional Shares. Dividends which have full New Zealand imputation credits attached to them will not be subject to non-resident withholding tax under the foreign investor tax credit/supplementary dividend regime.

If the dividends paid to Eligible Shareholders who are resident in Australia do not have full New Zealand imputation credits attached, the dividends will be subject to a non-resident withholding deduction of 15 percent.

Australian taxation

For Australian tax purposes, Australian resident Eligible Shareholders will be treated as having received the cash dividend which has been applied to purchase or subscribe for Additional Shares. The gross cash amount of the dividend (i.e., before any deduction for New Zealand withholding tax) together with any Australian franking credits attached to that dividend will be assessable to the Australian resident Eligible Shareholders and taxed at their respective marginal tax rates. A tax offset will generally be available equal to the Australian franking credit, if any, attached to the dividend. Further, a foreign tax credit for any New Zealand withholding tax withheld may be available.

Whether the future sale of Additional Shares issued to Australian resident Eligible Shareholders is assessable as ordinary income or as a capital gain will depend on the particular circumstances of the Eligible Shareholder. For capital gains tax purposes, the cost base of the Additional Shares includes the amount of the dividend (but not the franking credit, if any) applied to acquire the Additional Shares.

9. No Costs to Participants

No brokerage or commission costs will be payable by a participating Eligible Shareholder in respect of the acquisition of Additional Shares under the Plan.

10. Stock exchange listings

The Company will apply for quotation of the Additional Shares which may be issued under the Plan on the NZSX and the Official List of the ASX. It is expected that such Additional Shares will be quoted on the NZSX and ASX on the completion of allotment procedures. However, neither NZX nor ASX accept responsibility for any statement in this Offer Document.

11. Available Information

A copy of the Company's most recent annual report and audited consolidated financial statements are available to Eligible Shareholders free of charge by writing to:

Fisher & Paykel Appliances Holdings Limited
PO Box 58546
Greenmount
Auckland 2141
New Zealand

Electronic versions are also available to download at www.fisherpaykel.com

12. Governing law

This Offer Document (including these Terms and Conditions) and the Plan, and its operation, are governed by the laws of New Zealand.

13. Share Registrar's Address

Computershare Investor Services Limited
 Private Bag 92119, Auckland 1142
 Level 2, 159 Hurstmere Road
 Takapuna
 Auckland
 New Zealand

Phone: +649 488 8777
 Fax: +649 488 8787
 Email: enquiry@computershare.co.nz

Australian Registry
 Computershare Investor Services Pty Limited
 GPO Box 242, Melbourne, Victoria 3001
 Yarra Falls, 452 Johnston Street
 Abbotsford, Victoria 3067
 Australia

Phone: 1800 501 366 (within Australia) +613 9415 4083 (if calling outside of Australia)
 Fax: +613 9473 2009

14. Definitions

The following words and expressions have the following meanings in this Offer Document (unless the context otherwise requires):

Additional Shares (or AS)	Has the meaning set out in clause 3.2 of this Offer Document
ASX	Australian Stock Exchange
Board	The Board of Directors of the Company
Company	Fisher & Paykel Appliances Holdings Limited
Constitution	The constitution of the Company
Eligible Shareholders	Holders of Shares in the Company with registered addresses in New Zealand or Australia (and such other jurisdictions as the Board determines, from time to time)
NZSX	The main board equity security market operated by NZX
NZX	New Zealand Exchange Limited
Offer Document	This booklet containing an offer to Shareholders to participate in the Plan

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Participating Shares	The number of Shares notified by an Eligible Shareholder in a validly completed Participation Form as participating in the Plan
Participation Form	A participation form accompanying this Offer Document and amended from time to time as approved by the Board
Plan	The Company's Dividend Reinvestment Plan established by the Board pursuant to the Constitution on the terms and conditions set out in this Offer Document, as amended from time to time
Record Date	5.00pm (NZ time), on the date fixed by the Board for determining entitlement to the relevant dividend
Share Register	The share register of the Company as updated from time to time
Share Registrar	The person appointed as share registrar of the Company from time to time
Shares	Ordinary fully paid shares in the Company
Terms and Conditions	The terms and conditions of the Plan as set out in this Offer Document
Variation Form	A variation form accompanying this Offer Document and amended from time to time as approved by the Board

