

HALF-YEAR INFORMATION

6 months period ended 30 September 2009

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Fisher & Paykel Appliances Holdings Limited

Financial Results for the Six Months Ended 30 September 2009

FPA Stock Exchange Release ASX/NZX 27 November 2009

FPA GROUP EXPECTS SECOND HALF RECOVERY

As announced on 24 September 2009, the Group's first half result was impacted by depressed market conditions generally related to the Global Financial Crisis. For the six months ended 30 September 2009 the Group reported a normalised loss after taxation of \$0.847 million. An improved second half performance is expected and the full year normalised net profit after tax is forecast to be within a range of \$16 million to \$23 million.

For the Appliances business, USA market conditions during the period were especially difficult due to higher levels of competition and the Company's significant exposure to the severely depressed high end of the appliances market.

As a consequence of Appliances' under performance in North America, a one-off charge of \$55.597 million after tax was made for asset impairments and fair value write downs.

Other one-off costs of \$25.966 million after tax were incurred, substantially due to the completion of the Global Manufacturing Strategy, staff retrenchment and debt restructuring costs, net of a gain on the sale of the East Tamaki property of \$2.019 million after tax. After deducting the one-off charge and costs above, the Group reported a loss after taxation of \$82.410 million.

Although the Company's trading performance during the first half of the financial year has been below expectations, it is encouraging that the projected earnings for the second half indicate a recovery in Appliances' performance as the benefits of the Global Manufacturing Strategy, cost down initiatives and increased distribution opportunities are realised.

The Finance business continues to deliver solid results in a tight market. Although lending levels are lower than last year, contained operating costs and improved margins have resulted in profit being ahead of the same period last year.

Notwithstanding the challenges the Appliances business has faced, the Group has made significant advancements over the past 6 months, positioning itself for an improved performance in the second half of the current financial year and beyond. These include:

- The previously announced Global Manufacturing Strategy relocations are now complete with the financial benefits expected to flow through in the second half.
- The associated stock build as at 31 March 2009 was substantially sold out during the first half as planned.
- Sears Hometown Stores distribution agreement finalised in North America.
- The Finance business continues to perform well in difficult market conditions with profit ahead of last year.
- The deleveraging of the Company through the recapitalisation and the substantial reduction in debt.

FINANCIAL PERFORMANCE

	Unaudited 6 Months 30 Sep 2009 NZ\$000	Unaudited 6 Months 30 Sep 2008 NZ\$000	Year 31 Mar 2009 NZ\$000
Normalised Operating Profit before Interest and Taxation			
• Appliances Business	5,733	33,183	55,570
• Finance Business (including Operating Interest)	12,426	11,572	21,086
	18,159	44,755	76,656
Costs associated with implementing Global Manufacturing Strategy	(14,973)	(41,198)	(66,615)
Redundancy Costs	(5,524)	-	(2,737)
Debt Restructuring Costs	(9,875)	-	(2,467)
Impairment Losses	(54,357)	-	(69,688)
Fair Valuation Adjustments (Barter Credits, Inventory Obsolescence)	(21,722)	-	-
Fair Valuation of Non Current Assets held for Sale (East Tamaki site)	(733)	-	(6,725)
Profit on Sale of Land & Buildings	4,072	-	7,140
Earnings before Interest & Taxation	(84,953)	3,557	(64,436)
Interest (excluding Finance Business Operating Interest)	(17,701)	(13,154)	(29,565)
Interest Rate Hedge Ineffectiveness	-	-	(11,232)
Operating (Loss) / Profit before Taxation	(102,654)	(9,597)	(105,233)
Taxation	20,244	2,250	9,979
Group (Loss) / Profit after Taxation	(82,410)	(7,347)	(95,254)
Normalised Group (Loss) / Profit after Taxation	(847)	22,395	33,780

ASSET IMPAIRMENT AND FAIR VALUATION ADJUSTMENTS

As a consequence of Appliances' under performance in North America, a one-off charge of \$55.597 million after tax was made for asset impairments and fair value adjustments, as detailed in the table below:

	Impairments and Fair Valuation Adjustments	
	Before Tax \$000	After Tax \$000
DCS Brand	22,022	22,022
Property, Plant & Equipment (incl associated Intangibles)	32,335	20,677
Inventory	9,959	7,710
Barter Credits	11,763	5,188
	76,079	55,597

The DCS Brand along with Property, Plant & Equipment have been impaired as the Company has taken the conservative view that future sales and cash flow linked to those assets will be lower due to the impact of the Global Financial Crisis on the USA market. The main items of Property, Plant & Equipment are the washing machine and clothes dryer lines in Ohio, the Mexican refrigerator line and the Auckland based CoolDrawer line.

The inventory fair value write down of \$10.0 million is substantially related to the obsolescence of raw materials due to the withdrawal of certain refrigerator models and the termination of a contract manufacturing agreement in the USA.

The barter credits arose from the non-cash exchange of finished goods, primarily in FY2009, in the USA. The credits can be used on a leveraged basis to secure goods and services from members of the same barter exchange network. The Company will continue to utilise the credits whenever appropriate. However, due to the uncertainty around the future utilisation of the barter credits in the current economic environment, the Company has taken a prudent view and fully written these off.

CASH FLOW AND DEBT

Cash flow from operations, before the movement in loans to Finance business customers, was \$17.9 million for the half year compared to \$36.8 million for the previous corresponding period.

The \$76 million finished inventory stock build which was held at 31 March 2009 to ensure continuity of market supply while the Cleveland (Australia) and Dunedin (New Zealand) factories were being relocated was substantially sold out during the half. The cash released by this was utilised to pay for one-off costs associated with the factory relocations and debt refinancing, which in the aggregate amounted to approximately \$46 million.

Excluding operating borrowings for the Finance business, net bank debt as at 30 September 2009 was \$264.6 million compared to a peak level of \$501.7 million as at 31 May 2009. The majority of this decrease was achieved through the capital raising announced on 27 May 2009, which net of costs amounted to \$190.4 million.

The sale and leaseback of part of the East Tamaki (New Zealand) site was completed on 9 October 2009. A payment of \$49.25 million was received on settlement. This was used to further reduce debt, which at 31 October 2009 stood at \$214.3 million. The remaining balance of the sales proceeds of \$3.75 million, which is payable in April 2010, will also be used to reduce debt.

The remainder of the East Tamaki site has been conditionally sold, subject to finance, for \$21 million under a sale and leaseback arrangement. The Company continues to actively market the surplus Cleveland (Australia) property.

REVENUE

In New Zealand dollar terms, Total Revenue and Other Income decreased by \$113.3 million (16.3%) to \$584.1 million for the half-year.

	Unaudited 6 Months 30 Sep 2009 NZ\$000	Unaudited 6 Months 30 Sep 2008 NZ\$000	Year 31 Mar 2009 NZ\$000
Appliances Business			
• New Zealand	89,570	111,176	212,444
• Australia	177,291	230,380	452,391
• North America	155,615	191,336	365,397
• Europe	53,367	55,720	109,987
• Rest Of World	32,352	34,885	73,261
Total Appliances Business Operating Revenue	508,195	623,497	1,213,480
Appliances Business Sales of Service	4,410	4,279	9,133
Finance Business	66,353	68,252	136,918
Other Income	5,104	1,376	13,034
Total Revenue and Other Income	584,062	697,404	1,372,565

Appliances Operating Revenue of \$508.2 million was down \$115.3 million. All markets experienced reduced revenue.

Finance Operating Revenue decreased by 2.8% compared to the corresponding half last year as focus on the quality of the book continued.

CAPITAL AND DEPRECIATION

Capital expenditure, in cash flow terms, was as follows:

	Unaudited 6 Months 30 Sep 2009 NZ\$000	Unaudited 6 Months 30 Sep 2008 NZ\$000
Appliances Business	23,448	39,926
Finance Business	805	1,324
	24,253	41,250

Capital expenditure for Appliances included \$12.4 million to complete the new factory building in Thailand to house the recently relocated refrigerator factory. Capital expenditure for the remainder of the financial year is expected to be approximately \$13 million.

Depreciation and amortisation charges for the half were:

	Unaudited 6 Months 30 Sep 2009 NZ\$000	Unaudited 6 Months 30 Sep 2008 NZ\$000
Appliances Business	20,754	24,269
Finance Business	3,984	3,919
	24,738	28,188

APPLIANCES BUSINESS

The Appliances business segmented result for the six months ended 30 September 2009 was:

	Unaudited 6 Months 30 Sep 2009 NZ\$000	Unaudited 6 Months 30 Sep 2008 NZ\$000	Year 31 Mar 2009 NZ\$000
Operating Revenue	512,605	627,776	1,222,613
Normalised Operating Profit before Interest & Taxation	5,733	33,183	55,570
Costs associated with implementing Global Manufacturing Strategy	(14,973)	(41,198)	(66,615)
Redundancy Costs	(5,524)	-	(2,737)
Debt Restructuring Costs	(9,875)	-	(2,467)
Impairment Losses	(54,357)	-	(69,688)
Fair Valuation Adjustments (Barter Credits, Inventory Obsolescence)	(21,722)	-	-
Fair Valuation of Non Current Assets held for Sale (East Tamaki site)	(733)	-	(6,725)
Profit on sale of Land & Buildings	4,072	-	7,140
Operating (Loss) / Profit before Interest & Taxation	(97,379)	(8,015)	(85,522)
Assets Employed	943,872	1,231,016	1,232,237
Operating Margin *	1.1%	5.3%	4.5%
* Normalised Operating Profit before Interest & Taxation to Operating Revenue			

GLOBAL MANUFACTURING STRATEGY

One-off relocation costs associated with Appliances' Global Manufacturing Strategy amounted to \$14.973 million before tax during the half.

The last of the announced Global Manufacturing Strategy relocations has been completed with the Thailand refrigeration factory commencing production in late July, a few weeks ahead of schedule. This factory is currently producing large capacity

refrigerators for the Australasian, North American and European markets. Initial production requirements have been increased to satisfy higher demand, especially in Australia. This level of production is expected to continue into the 4th fiscal quarter. The Laundry factory continues to produce products for all global markets at the required levels. Both factories are highly quality focussed and are currently exceeding quality expectations.

The financial benefits from the relocation of the refrigeration operation will be realised in the second half as production is progressively increased and raw material sourcing is localised.

The finished goods stock build held as at 31 March 2009, to ensure continuity of market supply while the Cleveland (Australia) refrigeration plant and the Dunedin (New Zealand) Range and Dishwasher plant were relocated, was substantially sold through as at 30 September 2009 with \$2.5 million of the original \$76 million remaining. The remaining \$2.5 million was sold through in October. Stocks are now being supplied from the new manufacturing facilities.

Lower than expected sales in the North American market has resulted in reduced production volumes from the Mexican facility in Reynosa. These lower production rates have also delayed the consumption of higher cost raw materials relocated from New Zealand and the cost of outsourced injection moulding and press metal parts has been higher than initially assumed. A number of cost saving measures are now being implemented and the benefits associated with these together with the localisation of raw material sourcing, are expected to reduce costs in the second half.

All manufacturing lines at Reynosa are now production capable. The DishDrawer Tall product continues to gain acceptance in the North American market, with sales volumes increasing.

MARKET REVIEWS

Appliances' revenue, by geographic region and base currency, for the half has been compared to the previous corresponding period in the following table:

		6 Months 30 Sep 09 \$000	6 Months 30 Sep 08 \$000	Increase (Decrease) %
Appliances:				
New Zealand	(NZD)	90,214	112,024	(19.5)
Australia	(AUD)	145,180	189,955	(23.6)
USA	(USD)	98,614	142,232	(30.7)
Europe	(EUR)	24,580	26,991	(8.9)
Rest of World	(NZD)	32,351	34,885	(7.3)

Compared to the previous corresponding period, New Zealand revenue declined 19.5% in the first half in a market that was down approximately 17%. The market size decline has been heavily biased towards cooking related products. Whilst the Appliances business has suffered some overall market share erosion, the reduced revenue is also an indication of consumers shifting their purchase preference towards lower priced products. The *Elba by Fisher & Paykel*TM brand has continued to perform well, maintaining share in the mid market segment. The New Zealand market showed some signs of recovery in the second quarter, with the 3 months to September being down approximately 11% on the previous corresponding period.

Australian revenue was down 23.6% in local currency terms. Market activity during the half was constrained by the limited availability of certain product categories included in the stock build associated with the factory relocations. This has resulted in some loss

of market share. Initiatives to recover lost share will be implemented during the second half as supply channels from the newly relocated factories are filled.

North American revenues were down 30.7% in local currency terms. Anecdotal indications are that the high end of the market is down between 40%-50% on the previous corresponding period. This high end has been more severely affected than the middle to lower end of the market as consumers lower their purchase expectations.

European sales revenue decreased by 8.9% in the first half. This compares favourably to overall market conditions, which have deteriorated at a far greater rate. Increased distribution in the United Kingdom, has assisted revenue.

Sales into the UK and Italian markets ex the Italian manufacturing facility are up 2% on the previous corresponding period.

Rest of World sales have declined 7.3% in New Zealand dollar terms.

SEARS

The Company has recently signed a distribution agreement with Sears Holdings Corporation to distribute a range of products in the USA through the Sears Hometown Stores. The Hometown Stores chain, comprising 944 outlets, will display and sell Fisher & Paykel branded washers and dryers immediately, with the DishDrawer Tall product range being displayed on a trial basis through a number of selected stores.

This agreement follows the earlier announcement in May this year detailing the distribution of the Elba brand exclusively through the Sears Outlet Stores and the Fisher & Paykel brand through the Sears Appliances Showrooms.

It is envisaged the new Sears distribution agreement will significantly lift the exposure of the Fisher & Paykel brand in the USA on a national basis. Sears Holdings is the leading home appliance retailer in the USA.

HAIER

The immediate commercial opportunities presented with the Haier association are progressing well. The Haier brand in New Zealand has been released to the Exclusive Dealers Arrangement retailers over the past 2 weeks. The feedback regarding the opportunity this brand will present in the market has been very encouraging. Initial retailer orders are now being received. In Australia Haier will continue to market and distribute the brand until such time as Fisher & Paykel Appliances takes over that role. This is expected to be early next year.

The opening of the Fisher & Paykel dedicated showrooms in China has been deferred due to a delay in construction. These are now expected to be progressively opened commencing December 2009. Commercial project specification work continues and initial stocking orders are expected to be received next month.

FINANCE BUSINESS

Notwithstanding the current economic conditions and consequent softer retail spending, the Finance business achieved a 7.4% lift in earnings compared to the previous corresponding period. This was driven by improved margins and lower operating costs, which offset an increase in bad debts.

	Unaudited 6 Months 30 Sep 2009 NZ\$000	Unaudited 6 Months 30 Sep 2008 NZ\$000	Year 31 Mar 2009 NZ\$000
Operating Revenue	66,353	68,252	136,918
Normalised Operating Profit before Interest & Taxation (including Operating Interest)	12,426	11,572	21,086
Finance Receivables	565,215	582,008	587,326

Instalment credit financing of “big ticket” durables has declined further as consumers moderate their spending. However, revolving credit lending on Q Card has continued to grow and the Farmers Finance Card remains well supported. Insurance and Extended Warranty earnings have declined in line with the softer structured finance volumes and Equipment financing has been lower over the period due to the weaker domestic economy.

Households and small businesses continue to be under financial pressure and provisioning for bad debts has been increased. However, credit policy improvements over the last 18 months have resulted in a reducing incidence of consumer credit delinquency on more recently originated receivables.

The Finance business, through its subsidiary Fisher & Paykel Finance Limited, sources a portion of its funding (\$174.8 million as at 30 September 2009) from the New Zealand retail debenture market. Reinvestment rates on retail debentures, which participate under the Crown Deposit Guarantee Scheme, ranged between 64% to 83% during the half. Fisher & Paykel Finance Limited is required by the Reserve Bank Amendment Act to obtain a credit rating from an approved credit rating agency by 1 March 2010. The company is currently in the process of completing this requirement. The credit rating obtained will determine the quantum of any refund of fees paid up to that date under the Crown Deposit Guarantee Scheme, the company's eligibility to participate in the new guarantee scheme introduced by legislation passed on 9 September 2009 and the fees payable under that scheme.

The Finance business has maintained a strong level of liquidity and has significant undrawn committed Bank facilities. Receipts from customer repayments during the half exceeded \$280 million. This high level of liquidity is due to strong credit management of receivables and a consequence of the Finance business having no exposure to long term financing of the house mortgage and property development sectors.

OUTLOOK

The Group has had a solid start to the second half. Appliances' earnings were close to forecast in October and sales volumes in November are expected to finish in line with forecast. The Finance business has continued to perform above expectations in October.

The last guidance given in September for the year ending 31 March 2010 was for a Group Normalised Net Profit after Tax of approximately \$20 million to \$23 million.

However, due to the volatile market conditions, the Directors consider it prudent to extend the range of the guidance to now be approximately \$16 million to \$23 million.

Due to the impairments and fair valuation write-downs associated with North America, the FY2010 net result after tax and abnormals is now forecast at a loss of approximately \$58 million to \$65 million.



R G Waters
Chairman

The full release of the Six Month Result will also be made available on our website, www.fisherpaykel.com under the "Investor" Heading and the section labeled "Results".

In conjunction with today's release, Fisher & Paykel Appliances Holdings Limited will host a conference call to review the result and to discuss the outlook for the remainder of the financial year. The conference call is scheduled to begin today at 1.00 pm NZDT; 10.00 am AEST; 11.00 am AEDT.

Individuals wishing to listen to the webcast can access the event at the Company's website www.fisherpaykel.com. Please allow extra time prior to the webcast to visit the site and download the streaming media software required to listen to the broadcast.

To participate in the conference call, please dial in to one of the numbers below a few minutes prior to the scheduled call time and identify yourself to the operator:

New Zealand;	0800 449 118
Australia;	1800 505 083
USA;	1866 369 4113
Hong Kong;	800 967 659
Singapore;	800 616 2160
United Kingdom;	0800 068 9834
China Telecom;	1080 036 10133
China Netcom;	1080 061 10113

An on-line archive of the broadcast will be available approximately 2 hours after the webcast and will be accessible until 4 December 2009 at +61 3 92214752; access code 022399.

Fisher & Paykel Appliances Holdings Limited

NZX Appendix 1 Short-form

Results for announcement to the market	
Reporting Period	6 months to 30 September 2009
Previous Reporting Period	6 months to 30 September 2008

	Amount (\$'000s)	Percentage change
Revenue from ordinary activities	584,062	(16.3)%
Profit (loss) from ordinary activities after tax attributable to security holder	(82,410)	(1,021.7)%
Net profit (loss) attributable to security holders	(82,410)	(1,021.7)%

Final Dividend	Amount per security	Imputed amount per security
	Nil	N/A

Record Date	N/A
Dividend Payment Date	N/A

Comments:	See attached commentary and financial statements
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Fisher & Paykel Appliances Holdings Limited

Results for announcement to the market

Reporting Period	6 Months to 30 September 2009
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Previous Reporting Period	6 Months to 30 September 2008
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	Amount (NZ\$'000)	Percentage change
Revenues from ordinary activities (item 1.1.1)	584,062	% (16.3)
Profit (loss) from ordinary activities after tax attributable to members (item 1.1.2)	(82,410)	% (1,021.7)
Net profit (loss) for the period attributable to members (item 1.1.3)	(82,410)	% (1,021.7)
Dividends (distributions) (Please refer to commentary for further details)	Amount per security	Imputed amount per security
Interim dividend (item 1.2)	Nil ¢	N/A ¢
Record date for determining entitlements to the dividend (item 1.3).	N/A	
Payment date for dividends (item 1.3)	N/A	
Brief explanation of any of the figures in 1.1 to 1.3 necessary to enable the figures to be understood. (item 1.4)		
Please refer to attached commentary.		

Dividends (in the case of a trust, distributions) (item 4.5)

5 Date the dividend (distribution) is payable

N/A

Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if securities are not CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHES approved)

N/A

If it is a final dividend, has it been declared?
(Preliminary final report only)

N/A

Amount per security

		Amount per security	Imputed amount per security	Amount per security of foreign source dividend
Interim dividend:	Current year	Nil	N/A	N/A
	Previous year	5.0	0.67	N/A
		¢	¢	¢

Half yearly report - interim dividend (distribution) on all securities or

	Current period \$NZ'000	Previous corresponding period \$NZ'000
Ordinary securities (each class separately)	-	14,394
Preference securities (each class separately)	-	-
Other equity instruments (each class separately)	-	-
Total	-	14,394

Dividend or distribution plans in operation (item 4.6)

The dividend or distribution plans shown below are in operation.

A Dividend Reinvestment Plan (DRP) has been introduced whereby eligible New Zealand and Australian shareholders are able to elect to apply some or all of their dividend payments to acquire ordinary shares in the Company at a discount of 2.5% of the average of the volume weighted average sale price for the Company's ordinary shares calculated on all price setting trades which take place through the NZSX and ASX over a period of 10 trading days commencing on the third business day after the Shares first trade ex-entitlement on the NZSX. No transaction costs will be payable by shareholders on shares allocated to them under the DRP.

The last date(s) for receipt of election notices for the dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions). (For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)

A dividend is not currently permitted under the terms of the Group's banking facilities.

NTA backing (item 4.7)

4.7 Net tangible asset backing per ordinary security

Current period	Previous corresponding period
0.5	1.1

Control gained over entities having material effect (item 4.8)

4.8.1 Name of entity (or group of entities)

N/A

4.8.2 Date from which such profit has been calculated

N/A

4.8.3 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was +acquired

\$ N/A

Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period

\$ N/A

Loss of control of entities having material effect

4.8.1 Name of entity (or group of entities)

N/A

4.8.2 Date to which the profit (loss) in item 14.2 has been calculated

N/A

4.8.3 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control

\$ N/A

Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period

\$ N/A


Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control

\$ N/A

Details of associates and joint venture entities (item 4.9)

Group's share of associates' and joint venture entities':

	Current period \$NZ'000	Previous corresponding period \$NZ'000
Profit (loss) from ordinary activities before tax	NIL	NIL
Income tax on ordinary activities	NIL	NIL
Profit (loss) from ordinary activities after tax	NIL	NIL
Extraordinary items net of tax	NIL	NIL
Net profit (loss)	NIL	NIL
Adjustments	NIL	NIL
Share of net profit (loss) of associates and joint venture entities	NIL	NIL

Sign here: 
(Company Secretary)

Date: **27 November 2009**

Print name: **Mark David Richardson**

**Fisher & Paykel Appliances Holdings
Limited
Financial statements
for 6 months ended 30 September 2009**

Fisher & Paykel Appliances Holdings Limited
Income Statement
For the six months ended 30 September 2009

Income Statement

For the 6 months ended 30 September 2009 (Unaudited)

	Notes	30 September 2009 \$'000	30 September 2008 \$'000	31 March 2009 \$'000
Revenue				
Operating revenue	5	578,958	696,028	1,359,531
Other income	5	<u>5,104</u>	<u>1,376</u>	<u>13,034</u>
Total revenue and other income		584,062	697,404	1,372,565
Items affecting comparability:				
Costs associated with implementing the Global Manufacturing Strategy	6	(14,973)	(41,198)	(66,615)
Redundancy costs	6	(5,524)	-	(2,737)
Debt restructuring costs	6	(9,875)	-	(2,467)
Fair valuation of other assets	7 & 8	(21,722)	-	-
Fair valuation of non-current assets held for sale	9	(733)	-	(6,725)
Impairment losses	10 & 11	<u>(54,357)</u>	<u>-</u>	<u>(69,688)</u>
		(107,184)	(41,198)	(148,232)
Other operating expenses	6	<u>(561,831)</u>	<u>(652,649)</u>	<u>(1,288,769)</u>
Total operating expenses	6	(669,015)	(693,847)	(1,437,001)
Operating (loss)/profit		(84,953)	3,557	(64,436)
Finance costs		<u>(17,701)</u>	<u>(13,154)</u>	<u>(40,797)</u>
(Loss)/profit before income tax		(102,654)	(9,597)	(105,233)
Income tax expense		<u>20,244</u>	<u>2,250</u>	<u>9,979</u>
(Loss)/profit for the period		(82,410)	(7,347)	(95,254)
		Cents	Cents	Cents
(Loss)/earnings per share for profit attributable to the ordinary equity holders of the Company during the period:				
Basic and diluted (loss)/earnings per share		(16.3)	(2.6)	(33.1)

The above Income Statement should be read in conjunction with the accompanying Notes.

Fisher & Paykel Appliances Holdings Limited
Statement of Comprehensive Income
For the six months ended 30 September 2009

Statement of Comprehensive Income

For the 6 months ended 30 September 2009 (Unaudited)

	Notes	30 September 2009 \$'000	30 September 2008 \$'000	31 March 2009 \$'000
(Loss)/profit for the period		(82,410)	(7,347)	(95,254)
Other comprehensive income				
Cash flow hedges	17	(20,104)	12,395	10,024
Exchange differences on translation of foreign operations	17	(69,457)	23,968	37,842
Income tax relating to components of other comprehensive income	17	6,031	(3,718)	(3,007)
Other comprehensive income for the period, net of tax	17	<u>(83,530)</u>	<u>32,645</u>	<u>44,859</u>
 Total comprehensive income for the period		 <u>(165,940)</u>	 <u>25,298</u>	 <u>(50,395)</u>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying Notes.

Fisher & Paykel Appliances Holdings Limited
Statement of Financial Position
As at 30 September 2009
(continued)

Statement of Financial Position

As at 30 September 2009 (Unaudited)

	Notes	Consolidated			Appliances business*			Finance business		
		As at 30 Sep 09 \$'000	As at 30 Sep 08 \$'000	As at 31 Mar 09 \$'000	As at 30 Sep 09 \$'000	As at 30 Sep 08 \$'000	As at 31 Mar 09 \$'000	As at 30 Sep 09 \$'000	As at 30 Sep 08 \$'000	As at 31 Mar 09 \$'000
Assets										
<i>Current assets</i>										
Cash and cash equivalents		92,119	90,230	95,395	39,080	59,406	58,646	53,039	30,824	36,749
Trade receivables and other current assets	7	210,047	183,123	178,137	202,701	177,271	171,844	7,346	5,852	6,293
Finance business receivables		365,824	384,704	390,495	-	-	-	365,824	384,704	390,495
Inventories	8	216,797	312,613	357,793	216,797	312,613	357,793	-	-	-
Non-current assets classified as held for sale	9	42,164	46,520	91,890	42,164	46,520	91,890	-	-	-
Derivative financial instruments		5,597	10,737	81	5,592	10,684	37	5	53	44
Current tax receivables		9,345	7,886	5,826	9,345	6,992	5,486	-	894	340
Future taxation benefit		-	958	-	-	958	-	-	-	-
Total current assets		941,893	1,036,771	1,119,617	515,679	614,444	685,696	426,214	422,327	433,921
<i>Non-current assets</i>										
Property, plant & equipment	10	227,051	358,556	300,514	225,751	356,909	298,967	1,300	1,647	1,547
Investment in Finance business					197,093	181,047	179,556			
Intangible assets	11	246,132	345,156	297,845	118,821	212,023	167,602	127,311	133,133	130,243
Finance business receivables		199,391	197,304	196,831	-	-	-	199,391	197,304	196,831
Derivative financial instruments		601	792	1,388	62	792	887	539	-	501
Deferred taxation	12	81,704	45,526	67,830	81,704	45,526	67,830	-	-	-
Other non-current assets		2,914	2,358	12,329	1,855	1,322	11,255	1,059	1,036	1,074
Total non-current assets		757,793	949,692	876,737	625,286	797,619	726,097	329,600	333,120	330,196
Total assets		1,699,686	1,986,463	1,996,354	1,140,965	1,412,063	1,411,793	755,814	755,447	764,117
Liabilities										
<i>Current liabilities</i>										
Bank overdrafts		19,174	363	-	19,174	363	-	-	-	-
Current borrowings	13	72,903	140,968	517,692	72,903	140,968	517,692	-	-	-
Finance business borrowings		460,993	410,581	446,377	-	-	-	460,993	410,581	446,377
Trade creditors		103,112	156,046	152,340	103,112	156,046	152,340	-	-	-
Current finance leases		578	2,009	776	578	2,009	776	-	-	-
Provisions	14	22,015	51,174	47,350	22,007	51,166	47,342	8	8	8
Derivative financial instruments		15,795	3,225	14,728	15,069	2,666	13,404	726	559	1,324
Current tax liabilities		4,164	5,263	468	2,913	5,263	468	1,251	-	-
Other current liabilities		71,650	87,177	62,967	51,702	69,471	44,694	19,948	17,706	18,273
Total current liabilities		770,384	856,806	1,242,698	287,458	427,952	776,716	482,926	428,854	465,982
<i>Non-current liabilities</i>										
Non-current borrowings	13	211,569	267,923	-	211,569	267,923	-	-	-	-
Finance business borrowings		54,446	122,690	95,461	-	-	-	54,446	122,690	95,461
Non-current finance leases		75	720	432	75	720	432	-	-	-
Provisions	14	20,133	25,972	25,928	19,589	25,501	25,384	544	471	544
Derivative financial instruments		7,761	-	568	7,673	-	-	88	-	568
Deferred taxation		30,348	31,329	32,421	9,631	8,944	10,415	20,717	22,385	22,006
Other non-current liabilities		14,925	28,665	33,294	14,925	28,665	33,294	-	-	-
Total non-current liabilities		339,257	477,299	188,104	263,462	331,753	69,525	75,795	145,546	118,579
Total Liabilities		1,109,641	1,334,105	1,430,802	550,920	759,705	846,241	558,721	574,400	584,561
Shareholders' equity										
Contributed equity	15	841,943	648,229	651,510	841,943	648,229	651,510			
(Accumulated losses) / Retained earnings	16	(199,050)	(14,339)	(116,640)	(199,050)	(14,339)	(116,640)			
Reserves	16	(52,848)	18,468	30,682	(52,848)	18,468	30,682			
Investment in Finance business								197,093	181,047	179,556
Total shareholders' equity		590,045	652,358	565,552	590,045	652,358	565,552	197,093	181,047	179,556
Total liabilities and shareholders' equity		1,699,686	1,986,463	1,996,354	1,140,965	1,412,063	1,411,793	755,814	755,447	764,117

* For disclosure purposes, the Appliances business includes both the Parent entity and AF Investments Limited

The above Statement of Financial Position should be read in conjunction with the accompanying Notes.

Statement of Changes in Equity

For the 6 months ended 30 September 2009 (Unaudited)

	Attributable to equity holders of the Company								
	Share capital \$'000	(Accumulated losses) / Retained earnings \$'000	Translation of foreign operations \$'000	Foreign exchange hedges \$'000	Commodity hedges \$'000	Interest rate hedges \$'000	Treasury stock \$'000	Share based payments \$'000	Total equity \$'000
Balance at 1 April 2009	651,510	(116,640)	23,521	4,642	37	-	512	1,970	565,552
Changes in equity for									
Issue of share capital	190,433	-	-	-	-	-	-	-	190,433
Total other comprehensive income for the period	-	-	(69,457)	(14,329)	256	-	-	-	(83,530)
Net (loss)/profit for the period	-	(82,410)	-	-	-	-	-	-	(82,410)
Balance at 30 September 2009	841,943	(199,050)	(45,936)	(9,687)	293	-	512	1,970	590,045

	Attributable to equity holders of the Company								
	Share capital \$'000	(Accumulated losses) / Retained earnings \$'000	Translation of foreign operations \$'000	Foreign exchange hedges \$'000	Commodity hedges \$'000	Interest rate hedges \$'000	Treasury stock \$'000	Share based payments \$'000	Total equity \$'000
Balance at 1 April 2008	642,082	18,623	(14,321)	602	503	(3,443)	512	1,890	646,448
Changes in equity for									
Dividends	-	(25,615)	-	-	-	-	-	-	(25,615)
Dividend reinvestment plan	6,147	-	-	-	-	-	-	-	6,147
Share based payments	-	-	-	-	-	-	-	80	80
Total other comprehensive income for the period	-	-	23,968	8,178	(503)	1,002	-	-	32,645
Net (loss)/profit for the period	-	(7,347)	-	-	-	-	-	-	(7,347)
Balance at 30 September 2008	648,229	(14,339)	9,647	8,780	-	(2,441)	512	1,970	652,358

Fisher & Paykel Appliances Holdings Limited
Statement of Changes in Equity
For 6 months ended 30 September 2009
(continued)

	Attributable to equity holders of the Company								
	Share capital \$'000	(Accumulated losses) / Retained earnings \$'000	Translation of foreign operations \$'000	Foreign exchange hedges \$'000	Commodity hedges \$'000	Interest rate hedges \$'000	Treasury stock \$'000	Share based payments \$'000	Total equity \$'000
Balance at 1 April 2008	642,082	18,623	(14,321)	602	503	(3,443)	512	1,890	646,448
Changes in equity for									
Dividends	-	(40,009)	-	-	-	-	-	-	(40,009)
Dividend reinvestment plan	9,428	-	-	-	-	-	-	-	9,428
Share based payments	-	-	-	-	-	-	-	80	80
Total other comprehensive income for the period	-	-	37,842	4,040	(466)	3,443	-	-	44,859
Net (loss)/profit for the period	-	(95,254)	-	-	-	-	-	-	(95,254)
Balance at 31 March 2009	651,510	(116,640)	23,521	4,642	37	-	512	1,970	565,552

Fisher & Paykel Appliances Holdings Limited
Cash Flow Statement
For 6 months ended 30 September 2009

Cash Flow Statement

For the 6 months ended 30 September 2009 (Unaudited)

	30 September 2009 \$'000	30 September 2008 \$'000	31 March 2009 \$'000
Notes			
Cash flows from operating activities			
Receipts from customers	525,111	610,922	1,208,813
Financing interest and fee receipts	65,158	66,226	132,953
Interest received	279	625	1,490
Payments to suppliers and employees	(531,443)	(593,440)	(1,233,316)
Income taxes paid	(1,834)	(9,721)	(21,372)
Interest paid	(39,404)	(37,816)	(79,188)
	<u>17,867</u>	<u>36,796</u>	<u>9,380</u>
Principal on loans repaid by Finance business customers	280,576	306,198	601,215
New loans to Finance business customers	(269,931)	(312,534)	(624,311)
Net cash inflow / (outflow) from operating activities	<u>28,512</u>	<u>30,460</u>	<u>(13,716)</u>
Cash flows from investing activities			
Sale of property, plant & equipment	9,872	26	28,216
Purchase of property, plant & equipment	(21,314)	(38,094)	(66,817)
Capitalisation of intangible assets	(2,939)	(3,156)	(7,233)
Acquisition of Mexican Operations (Instalments)	-	(9,049)	(23,965)
Net cash inflow / (outflow) from investing activities	<u>(14,381)</u>	<u>(50,273)</u>	<u>(69,799)</u>
Cash flows from financing activities			
New non-current borrowings	585,913	68,459	327,458
New Finance business borrowings	12,515	289,745	284,118
Repayment of non-current borrowings	(783,080)	(30,943)	(223,741)
Repayment of Finance business borrowings	(38,569)	(298,912)	(284,598)
Lease liability payments	(408)	(46)	(902)
Issue of share capital	190,433	-	-
Dividends paid	-	(19,468)	(30,427)
Net cash inflow / (outflow) from financing activities	<u>(33,196)</u>	<u>8,835</u>	<u>71,908</u>
Net increase (decrease) in cash & cash equivalents	(19,065)	(10,978)	(11,607)
Cash & cash equivalents at the beginning of the period	95,395	93,994	93,994
Cash obtained from acquisitions	-	1,767	1,546
Effects of foreign exchange rate changes on cash & cash equivalents	(3,385)	5,084	11,462
Cash & cash equivalents at end of the period	<u>72,945</u>	<u>89,867</u>	<u>95,395</u>

The above Cash Flow Statement should be read in conjunction with the accompanying Notes.

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1 General information

The Group and Company are profit oriented limited liability entities incorporated and domiciled in New Zealand. Under dual listing rules for the New Zealand and Australian Stock Exchanges, the Company is required to have registered offices in each country and the addresses are:

- 78 Springs Road, East Tamaki, Auckland, New Zealand
- Weippin Street, Cleveland, Queensland 4163, Australia

These financial statements were authorised for issue by the Board of Directors on 27 November 2009.

The Group has two principal areas of business:

- Appliance manufacturer, distributor and marketer (Appliances business)
- Financial services in New Zealand (Finance business)

The principal activity of the Appliances business is the design, manufacture and marketing of innovative major household appliances. Its major markets are New Zealand, Australia, North America and Europe. The Appliances business has manufacturing operations in New Zealand, United States of America, Mexico, Italy and Thailand.

The Finance business is a leading provider of retail point of sale consumer finance (including the *Farmers Finance Card™*), insurance services and rental & leasing finance.

2 Summary of significant accounting policies

These general purpose financial statements for the interim 6 month reporting period ended 30 September 2009 have been prepared in accordance with New Zealand generally accepted accounting practice (NZ GAAP) and comply with New Zealand Equivalent to International Accounting Standard 34 (NZ IAS34) and International Accounting Standard 34 (Interim Financial Reporting) and are for the Group only.

These interim financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly these financial statements are to be read in conjunction with the Annual Report for the year ended 31 March 2009.

These interim financial statements are stated in New Zealand dollars rounded to the nearest thousand unless stated otherwise.

Changes in accounting policies

There have been no significant changes in accounting policies during the current year. Accounting policies have been applied on a basis consistent with the prior annual financial statements except where stated below.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 April 2009.

NZ IAS1 (revised), 'Presentation of financial statements'. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the Statement of Changes in Equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the Statement of Comprehensive Income) or two statements (the Income Statement and Statement of Comprehensive Income).

The Group has elected to present two statements: an Income Statement and a Statement of Comprehensive Income. The Statement of Comprehensive Income replaces the Statement of Recognised Income and Expense and in addition a Statement of Changes in Equity is required. The interim financial statements have been prepared under the revised disclosure requirements.

NZ IFRS8, 'Operating segments'. NZ IFRS8 replaces NZ IAS14, 'Segment reporting' and requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in an increase in the number of reportable segments presented, as the previously reported secondary geographic segments have been split into factory operations and sales & customer service segments. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Board of Directors together with the Executives of the Appliances and Finance businesses.

Goodwill is allocated by management to groups of cash-generating units and no reallocation between segments was required and the change in reportable segments has not resulted in any additional goodwill impairment. There has been no impact on the measurement of the Group's assets and liabilities from adoption of NZ IFRS8. Comparatives for 30 September 2008 and 31 March 2009 have been restated.

3 Going concern

The Group has reported a net loss after tax for the six months ended 30 September 2009 of \$82.4 million (Sept 2008 loss of \$7.3 million; March 2009 loss of \$95.3 million). Difficult trading conditions continued to be experienced in all markets, especially in the United States of America, significantly impacting sales revenue for the current period. As a consequence, impairments and fair valuation adjustments (largely related to North America) totalling \$81.6 million after tax (net of a \$2.0 million gain on sale of property) were also recognised in the period.

On 30 September 2009, the Company announced that its Banking Syndicate had accepted revised forecasts against which the budget performance covenant will be tested for the 3 months ending 31 December 2009 and the 6 months ending 31 March 2010. The revised budget performance covenant requires the Guaranteeing Group (defined as the Appliances business plus any interest or dividends paid to the Appliances business by the Finance business) to achieve a normalised EBITDA of \$20 million for the 3 months ending 31 December 2009 and \$50 million for the six months ending 31 March 2010 (refer Note 13). The original forecasts were for the Guaranteeing Group to achieve normalised EBITDA of \$28.3 million and \$65.4 million for each reporting period respectively.

The unaudited October normalised EBITDA was approximately 10% lower than the revised forecasts for October and this has eroded the forecast headroom against the budget performance covenant.

Whilst the Directors believe the Company will continue to comply with all its banking covenants, compliance is dependent on no further deterioration of market conditions and the ongoing security of the supply chain. Should market conditions deteriorate further, then there is some risk that the Company will not achieve the minimum required normalised EBITDA in either the December 2009 or March 2010 reporting periods.

Nevertheless, as the Directors at this time are confident the Company will comply with all banking covenants for the foreseeable future, accordingly these financial statements have been prepared on a going concern basis.

4 Segment information

Chief Operating Decision Maker

The 'Chief Operating Decision Maker' has been identified as the Board of Directors together with the Executives of the Appliances and Finance businesses, who review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

Reportable segments

The Appliances business' reportable segments are based primarily on the nature of activities undertaken (factory operations and sales/customer service companies) and are then split by geographic location. Factory operations include sites that manufacture goods for both the Group and external customers. Sales & service includes sales & distribution operations and also customer service operations.

The Finance business is considered as one reportable segment.

Other segment information

Performance of operating segments is assessed based on a measure of earnings before interest and taxation (operating profit or loss). This excludes interest costs associated with core funding and other overheads that are held at Group level and cannot be allocated.

Intersegment revenue is recognised on the basis of arm's length transactions and reflects returns required for taxation transfer pricing purposes where applicable.

Other information provided, except as noted below, is measured in a manner consistent with that in the interim financial statements.

Segment total assets exclude certain elements of deferred tax that are associated with adjustments held for consolidation purposes, derivative financial instruments and non-current assets held for sale that are managed on a central basis and fair value adjustments held on consolidation. These form part of the reconciliation to total assets in the Statement of Financial Position.

Segment total assets

	30 September 2009	30 September 2008	31 March 2009
	\$'000	\$'000	\$'000
Factory operations			
New Zealand	70,074	210,658	99,940
Australia	11,841	52,016	48,805
North America	253,344	240,467	353,520
Thailand	106,824	73,459	88,999
Europe	148,928	170,458	169,600
	<u>591,010</u>	<u>747,059</u>	<u>760,864</u>
Sales & customer service			
New Zealand	51,111	71,275	81,925
Australia	133,784	148,459	180,807
North America	180,909	233,157	252,831
Europe	111,180	76,458	134,499
Rest of World	58,316	29,766	46,109
	<u>535,299</u>	<u>559,114</u>	<u>696,171</u>
Inter-segment eliminations	(304,521)	(176,358)	(363,680)
Unallocated assets	122,084	101,201	138,882
Appliances business	943,872	1,231,016	1,232,237
Finance business	755,814	755,447	764,117
Total assets as per the Statement of Financial Position	1,699,686	1,986,463	1,996,354

Fisher & Paykel Appliances Holdings Limited
Notes to the financial statements
30 September 2009
(continued)

Segment revenue & profit analysis

	30 September 2009				30 September 2008				31 March 2009			
	Revenue from external customers	Inter-segment revenue	Total segment revenue	Operating profit	Revenue from external customers	Inter-segment revenue	Total segment revenue	Operating profit	Revenue from external customers	Inter-segment revenue	Total segment revenue	Operating profit
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Factory operations												
New Zealand	22,075	64,293	86,368	5,019	8,176	180,795	188,971	9,652	20,110	337,812	357,922	10,832
Australia	2,013	12,008	14,021	(748)	2,198	41,564	43,762	19,430	4,551	54,005	58,556	29,484
North America	20,100	129,680	149,780	(1,471)	17,196	113,955	131,151	1,083	32,341	198,664	231,005	(13,546)
Thailand	486	135,515	136,001	9,601	65	80,133	80,198	11,590	498	231,922	232,420	35,735
Europe	62,250	6,026	68,276	(1,764)	68,333	6,993	75,326	(2,816)	134,622	27,673	162,295	(6,081)
	<u>106,924</u>	<u>347,522</u>	<u>454,446</u>	<u>10,637</u>	<u>95,968</u>	<u>423,440</u>	<u>519,408</u>	<u>38,939</u>	<u>192,122</u>	<u>850,076</u>	<u>1,042,198</u>	<u>56,424</u>
Sales & customer service												
New Zealand	90,898	4,057	94,955	4,415	112,065	7,085	119,150	3,187	247,604	14,112	261,716	6,074
Australia	177,718	2,371	180,089	4,855	227,163	-	227,163	7,155	447,572	-	447,572	5,506
North America	119,898	1,710	121,608	(10,105)	171,899	-	171,899	1,239	294,199	-	294,199	13,104
Europe	10,663	-	10,663	(98)	13,535	-	13,535	(508)	26,526	-	26,526	(777)
Rest of World	6,504	-	6,504	613	7,146	-	7,146	261	14,590	-	14,590	851
	<u>405,681</u>	<u>8,138</u>	<u>413,819</u>	<u>(320)</u>	<u>531,808</u>	<u>7,085</u>	<u>538,893</u>	<u>11,334</u>	<u>1,030,491</u>	<u>14,112</u>	<u>1,044,603</u>	<u>24,758</u>
Unallocated overheads				(4,584)				(17,090)				(25,612)
One-off costs *				(103,112)				(41,198)				(141,092)
Appliances business	512,605	355,660	868,265	(97,379)	627,776	430,525	1,058,301	(8,015)	1,222,613	864,188	2,086,801	(85,522)
Finance business	66,353	-	66,353	12,426	68,252	-	68,252	11,572	136,918	-	136,918	21,086
Total	578,958	355,660	934,618	(84,953)	696,028	430,525	1,126,553	3,557	1,359,531	864,188	2,223,719	(64,436)

Segment revenue reconciliation to the Income Statement

	\$'000	\$'000	\$'000
Total segment revenue	934,618	1,126,553	2,223,719
Inter-segment revenue elimination	(355,660)	(430,525)	(864,188)
Interest income	322	625	1,490
Other miscellaneous income	4,782	751	11,544
Total revenue & other income as per the Income Statement	584,062	697,404	1,372,565

* Refer Notes 7, 8, 10 & 11

5 Revenue & other income

	Notes	30 September 2009 \$'000	30 September 2008 \$'000	31 March 2009 \$'000
Appliances business sales of goods revenue	(a)			
New Zealand		89,570	111,176	212,444
Australia		177,291	230,319	452,391
North America		155,615	191,336	365,397
Europe		53,367	55,720	109,987
Rest of World		32,352	34,885	73,261
<i>Appliances business sales of services revenue</i>		4,410	4,340	9,133
<i>Finance business revenue</i>		66,353	68,252	136,918
Total operating revenue		578,958	696,028	1,359,531
<i>Other income</i>				
Interest income		322	625	1,490
Gains on disposal of property, plant & equipment	(c)	4,072	-	8,216
Fee income		682	417	1,332
Appliances business miscellaneous income		868	399	1,017
Fair value gain/(loss) on Finance business derivatives		(840)	(65)	979
		5,104	1,376	13,034
Total revenue & other income		584,062	697,404	1,372,565

(a) Sales revenue

Revenue figures reported above are disclosed by location of customer and therefore do not agree directly to Segment disclosures at Note 4, where revenue is reported by country of operation.

(b) Non-cash transactions

In the six months ended 30 September 2009 there were no sales of goods revenue from barter transactions (September 2008 \$3.3 million, March 2009 \$11.0 million). Refer to Note 7 for details of an impairment loss for barter credits in North America.

(c) Net gains on disposal of property, plant & equipment

Net gains on disposal of property, plant & equipment for the period ended 30 September 2009 were \$4.1 million (September 2008 \$Nil, March 2009 \$7.1 million).

6 Expenses

	30 September 2009 \$'000	30 September 2008 \$'000	31 March 2009 \$'000
(Loss)/Profit before income tax includes the following expenses:			
Appliances business			
<i>Cost of goods sold</i>	378,773	446,753	898,170
Items affecting comparability	107,184	41,198	148,232
Net foreign exchange (gains) / losses	(3,379)	1,458	(28,813)
Other administration expenses	75,041	73,436	167,262
<i>Administration expenses</i>	178,846	116,092	286,681
<i>Selling, marketing & distribution expenses</i>	58,271	74,348	135,193
Finance business			
<i>Impairment charge for credit losses</i>	9,649	8,284	20,017
<i>Interest expense and similar charges</i>	19,763	26,784	53,226
Other Finance business expenses before unearned premium movements	21,932	23,089	44,696
Movement in unearned insurance & warranty premiums	1,781	(1,503)	(982)
<i>Other Finance business expenses</i>	23,713	21,586	43,714
Total operating expenses	669,015	693,847	1,437,001

7 Other assets

Barter credits

In conjunction with the Board's review of the carrying value of North American assets, indicators of a material decrease in the fair value were observed in respect of barter credit transactions.

These transactions involved the exchange of finished goods for barter credits or prepaid vouchers, which can be used to secure goods and services from members of the same barter exchange network. Whilst the useful life of these credits has been extended and they have been discounted to present value, on current projections the Board considers the fair value is less than the carrying amount.

Fair value was determined through a value-in-use calculation using estimates of likely utilisation over the maturity period. An overlay was then applied based on management's view of the most economic use of future expenditure. Fair value was determined as nil.

A fair value loss of \$11.8 million has been recognised in respect of North American barter credits.

8 Inventories

(a) Inventory stock build

The finished goods inventory stockbuild owing to relocation of manufacturing facilities from New Zealand / Australia/ United States of America to Thailand, Italy and Mexico was \$2.4 million at 30 September 2009. Since balance date, the stockbuild was fully consumed as at 31 October 2009.

(b) Inventory obsolescence

Pursuant to the Board's review of North American asset carrying values, inventory primarily comprising raw materials in Reynosa, totalling \$9.9 million was identified as obsolete and slow moving and fair valuation was assessed as nil. Efforts to utilise this inventory operationally through alternate use or sell to a third party are ongoing.

9 Non-current assets classified as held for sale

	30 September 2009 \$'000	30 September 2008 \$'000	31 March 2009 \$'000
Land	10,161	2,864	38,570
Buildings	32,003	43,656	52,292
Plant & equipment	-	-	1,028
	42,164	46,520	91,890

As part of the Appliances business' Global Manufacturing Strategy announced on 17 April 2008, land & buildings at East Tamaki, Auckland and Cleveland, Australia have been classified as non-current assets held for sale.

On 9 September 2009 the Group sold Lot 1 of the East Tamaki site for \$53 million and recognised a gain of \$4.1 million in the Income Statement – refer Note 5. The remaining Lot related to the East Tamaki site is held at fair value based on the expected net proceeds from a conditional sale & leaseback agreement

Fair valuation of the remaining East Tamaki land & buildings resulted in an impairment loss of \$0.7 million as at 30 September 2009.

The Cleveland site is held at net book value.

The Board reasonably expects sale transactions will be completed in the next 12 months in relation to these assets.

10 Property, plant & equipment

Impairment losses

North American assets

As announced on 30 October 2009, pursuant to the Board's review of carrying values of North American assets, selected production assets at Ohio, USA and Reynosa, Mexico have been impaired. Value-in-use calculations were performed on all affected assets using projected cash flows over the next ten financial years discounted back to the net present value. Projected cash flows were based on current forecast sales volumes and margins with varying growth assumptions dependent on the product.

Washer machine production will be transferred from Ohio to Thailand in November 2009 and the production line at Ohio mothballed. The current state of trading in North America has increased uncertainty over timing of a resumption of washing machine production in Ohio and therefore the assets have been fully impaired, resulting in an impairment loss of \$7.7 million.

Following the downturn in the North American market, an impairment review was performed on the Ohio clothes dryer production line. Projected cashflows for this line did not support the carrying value and it has been fully impaired, resulting in an impairment loss of \$5.1 million.

The downturn in the North American market has been especially pronounced in the premium segment. An impairment review on the assets associated with refrigeration production in Mexico resulted in an impairment loss of \$11.9 million of plant & equipment as projected cashflows indicated that the recoverable amount was lower than the carrying amount. Intangible assets were also impaired as part of the review - refer Note 11(c).

Leasehold improvements related to closed facilities totalling \$0.3 million have also been impaired in the period.

CoolDrawer assets

Reduced demand for premium products in the current global downturn resulted in an indicator of impairment for assets associated with production of CoolDrawer product. Following an impairment review, the Board has impaired plant & equipment assets associated with CoolDrawer by \$2.5 million as projected cashflows indicated that the recoverable amount was lower than the carrying amount. The review also resulted in impairment of intangible assets associated with production of CoolDrawer - refer Note 11(c).

11 Intangible assets

(a) Brands

(i) Impairment tests for brands

Acquired brands are allocated to the Group's cash generating units (CGUs) identified according to country of operation.

A summary of the brands allocation is shown below:

30 September 2009	"DCS" \$'000	"Elba" \$'000	Total \$'000
Appliances North America	18,018	-	18,018
Appliances Italy	-	20,626	20,626
	<u>18,018</u>	<u>20,626</u>	<u>38,644</u>
30 September 2008	"DCS" \$'000	"Elba" \$'000	Total \$'000
Appliances North America	42,544	-	42,544
Appliances Italy	-	21,815	21,815
	<u>42,544</u>	<u>21,815</u>	<u>64,359</u>
31 March 2009	"DCS" \$'000	"Elba" \$'000	Total \$'000
Appliances North America	50,123	-	50,123
Appliances Italy	-	23,733	23,733
	<u>50,123</u>	<u>23,733</u>	<u>73,856</u>

11 Intangible assets (continued)

(ii) Key assumptions used for relief-from-royalty calculations

The recoverable amount for brands is determined based on relief from royalty calculations. These calculations use cash flow projections based on financial budgets prepared by management covering a five year period and taking into account the latest management forecasts. Cashflow projections are derived using past experience, expectations for the future and external sources of financial and economic data where appropriate.

In arriving at the projected cashflows, management has made assumptions about sales revenue growth and foreign currency average exchange rates based on industry and economic indicators.

(b) DCS Brand impairment

As announced on 30 October 2009, pursuant to the Board's review of North American asset carrying values, indicators of impairment existed for the DCS brand. An impairment review was performed with the following assumptions:

- growth rate: 20% lower sales in 2010/11 than current 2009/10 forecast, with a growth rate of 0% thereafter for the following 4 years
- royalty rate used in the relief-from-royalty calculation: 3%
- terminal growth rate: 0.0%
- pre-tax discount rate: 7.1%

Based on the above assumptions, the recoverable amount was calculated as \$18.0 million, resulting in an impairment loss of \$22.0 million from the carrying amount.

Should forecast DCS branded sales decline further, there is a risk that further impairment may occur. Similarly, should DCS branded sales recover ahead of forecast, the brand carrying value may be reinstated up to the original carrying amount.

(c) Other intangible asset impairments

As part of the impairment review on assets associated with refrigeration production in Mexico, \$4.1 million of capitalised research & development assets were impaired as projected cashflows indicated a recoverable amount lower than the carrying amount. Refer also Note 10.

As part of the impairment review on assets associated with CoolDrawer production, \$0.8 million of capitalised research & development assets were impaired as projected cashflows indicated a recoverable amount lower than the carrying amount. Refer also Note 10.

12 Deferred tax assets

The utilisation of deferred tax assets is dependent on future taxable profits in excess of the profits arising from the reversal of existing taxable temporary differences and shareholder continuity being maintained in accordance with New Zealand tax legislation requirements. The recognition of these deferred tax assets is evidenced by forecasts of taxable income arising in the next ten years.

13 Borrowings

	30 September 2009 \$'000	30 September 2008 \$'000	31 March 2009 \$'000
Current borrowings	<u>72,903</u>	140,968	<u>517,692</u>
Total current borrowings	<u>72,903</u>	140,968	<u>517,692</u>
Non-current borrowings	211,569	242,741	-
Bills payable	<u>-</u>	<u>25,182</u>	<u>-</u>
Total non-current borrowings	<u>211,569</u>	<u>267,923</u>	<u>-</u>
Total borrowings	<u>284,472</u>	<u>408,891</u>	<u>517,692</u>

The Group had unused borrowing facilities of \$69.4 million available as at balance date.

(a) Security Trust Deed

Current and non-current borrowings are secured by a Security Trust Deed ("the Deed") with the Group's banking syndicate. The Guaranteeing Group, under the Deed, excludes all Finance business entities.

The Deed and subsequent Amendments impose certain financial covenants on the Group as follows:

- (i) actual Normalised EBITDA for the 3 month period ending 31 December 2009 is no less than \$20.0m (including interest received from the Finance business)

actual Normalised EBITDA for the 6 month period ending 31 March 2010 is no less than \$50.0m (Including interest and dividends received from the Finance business)
- (ii) from April 2010 onwards, test (i) is replaced by a monthly Total Leverage Ratio with Total Net Bank Debt to Normalised Appliances EBITDA < 3 times
- (iii) a minimum Total Interest Cover of 2.0x until 31 March 2010, 1 April 2010 - 30 September 2010 2.5x, and 3.0x thereafter, measured against the last 12 months Normalised EBITDA tested on a quarterly basis
- (iv) maximum capital expenditure must not exceed \$40 million in 2010; \$33 million in 2011; \$44 million in 2012
- (v) the ratio of the Appliances Group's secured total tangible assets to the Appliances Group's total tangible assets is to be no less than 95%
- (vi) until the Current Debt Facility (refer Note 13(b) below) has been repaid in full, no distributions are permitted

Item (i) above is a new requirement following renegotiation of banking facilities with the Group's banking syndicate on 30 September 2009. Items (ii)-(vi) above are unchanged from 31 March 2009.

For the purposes of the financial covenants above:

"Normalised EBITDA" means operating earnings before interest, tax, depreciation and amortisation adjusted to exclude certain non-recurring items.

"Total Leverage Ratio" is the ratio of total net bank debt to Normalised EBITDA

"Total Interest Cover" means the ratio of Normalised EBITDA to Total Interest, where Normalised EBITDA is the last 12 months normalised EBITDA.

"Total Interest" means, as at the date of measurement, the aggregate of the last 12 months interest and financing costs of the Appliances Group, less any interest received on cash held at the bank (for the avoidance of doubt, interest received on loans to Finance shall not reduce "Total Interest").

(b) Post balance date events

In addition to the financial covenants above, as at balance date the Group was required to allocate proceeds from the sale of land & buildings due in October 2009 to complete repayment of the Amortising Facility and \$40 million of the Term Loan Facility was converted into a Current Debt Facility to be repaid in full by 31 March 2010.

Since balance date, the Group has met the above obligations and as at 31 October 2009, \$24.6 million of the Current Debt Facility was outstanding and to be repaid by 31 March 2010.

14 Provisions

	30 September 2009 \$'000	30 September 2008 \$'000	31 March 2009 \$'000
Current			
Employee benefits	113	185	113
Warranty	18,790	25,573	26,437
Redundancy	2,472	22,393	17,986
Onerous contracts	624	2,736	2,511
Other	16	279	303
Total current provisions	<u>22,015</u>	<u>51,166</u>	<u>47,350</u>
Non-current			
Employee benefits	9,846	12,380	11,024
Warranty	10,033	12,761	14,904
Onerous contracts	187	360	-
Other	67	-	-
Total non-current provisions	<u>20,133</u>	<u>25,501</u>	<u>25,928</u>
Total provisions	<u>42,148</u>	<u>76,667</u>	<u>73,278</u>

(a) Employee benefits

In certain jurisdictions, the Group is required to accrue for accumulating short-term benefits such as sick leave.

Provision is made for both vested and unvested long service leave accruing to employees. Vested long service leave is calculated on unused entitlements according to Group policy and unvested long service leave is calculated on an actuarial basis taking into account future entitlements under Group policy.

In the normal course of business, the calculation of the provision for unvested long service leave is undertaken annually at each year-end. Therefore, no calculation is undertaken as at 30 September.

(b) Warranty

Provision is made for the estimated warranty claims in respect of products sold which are still under warranty at Balance Date. The majority of these claims are expected to be settled within the next 24 months but this may extend to 5 years for certain refrigeration components. Management estimates the present value of the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

The warranty provision has been discounted using an interest rate of 6.32% (September 2008 8.34%, March 2009 5.47%).

(c) Redundancy

Estimated retention and redundancy costs from staff retrenchment, owing to the relocation of factories to Thailand, Mexico and Italy as part of the Appliances business' Global Manufacturing Strategy and provided in the year ended 31 March 2010 have largely been incurred.

In addition, provision has also been made in the current period for estimated retrenchment costs related to 'cost out' initiatives. These costs are largely expected to be incurred in the year ending 31 March 2010.

(d) Onerous contracts

Onerous lease contracts of \$0.8 million relating to closure of the Group's warehouse facility in North Carolina, USA and surplus material handling equipment in Cleveland, Australia following the closure and relocation of the refrigeration factory have been recognised in the period ended 30 September 2009. The majority of these costs will be incurred by June 2010.

15 Contributed equity

(a) Movements in ordinary share capital:

	30 September 2009 Shares	30 September 2008 Shares	31 March 2009 Shares	30 September 2009 \$'000	30 September 2008 \$'000	31 March 2009 \$'000
Opening balance of ordinary shares authorised and issued	290,375,990	284,608,307	284,608,307	651,510	642,082	642,082
Issues of ordinary shares during the year						
Dividend reinvestment plan	-	3,273,191	5,767,683	-	6,147	9,428
Issue of shares replacement with Haier Group	85,407,984	-	-	54,768	-	-
Issue of shares re pro-rata renounceable rights offer	348,451,188	-	-	135,665	-	-
Closing balance of ordinary shares authorised and issued	724,235,162	287,881,498	290,375,990	841,943	648,229	651,510

(b) Ordinary shares

All shares issued are fully paid and have no par value. All ordinary shares rank equally with one vote attached to each fully paid ordinary share.

(c) Dividend reinvestment plan

The company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than being paid in cash. Shares are issued under the plan at a 2.5% discount of the average of the volume weighted average sale price for the Company's ordinary shares, calculated on all price setting trades that take place on the NZSX and ASX over a period of 10 trading days commencing on the third business day after the shares first trade ex-entitlement on the NZSX.

(d) Rights issue

On 27 May 2009, the Parent Company announced a fully underwritten equity raising, including a pro rata one-for-one renounceable rights issue. The issue price for ordinary shares under the Rights Issue was \$0.41 per share. The ordinary shares issued under the Rights Issue ranked equally with existing ordinary shares.

16 Retained earnings and reserves

	30 September 2009 \$'000	30 September 2008 \$'000	31 March 2009 \$'000
(a) Reserves			
Treasury stock	512	512	512
Foreign exchange hedge reserve	(9,687)	8,780	4,642
Share-based payments reserve	1,970	1,970	1,970
Foreign currency translation reserve	(45,936)	9,647	23,521
Interest rate hedge reserve	-	(2,441)	-
Commodity hedge reserve	293	-	37
	(52,848)	18,468	30,682

(b) Retained earnings / (Accumulated losses)

Movements in retained earnings were as follows:

	30 September 2009 \$'000	30 September 2008 \$'000	31 March 2009 \$'000
Balance at the beginning of the period	(116,640)	18,623	18,623
Net (loss)/profit for the period	(82,410)	(7,347)	(95,254)
Dividends	-	(25,615)	(40,009)
Balance at the end of the period	(199,050)	(14,339)	(116,640)

17 Disclosure of components of other comprehensive income

	Notes	30 September 2009 \$'000	30 September 2008 \$'000	31 March 2009 \$'000
Other comprehensive income:				
Exchange differences on translating foreign operations	(a)	(69,457)	23,968	37,842
Cash flow hedges:				
Gains (losses) arising during the year		(9,287)	14,887	(12,454)
Reclassification adjustments for gains (losses) included in profit or loss		(10,817)	(2,492)	22,478
Income tax relating to components of other comprehensive income		<u>6,031</u>	<u>(3,718)</u>	<u>(3,007)</u>
Other comprehensive income for the year		<u>(83,530)</u>	<u>32,645</u>	<u>44,859</u>

(a) Exchange differences

The Appliances business has substantial foreign operations with assets and liabilities denominated in functional currencies other than the New Zealand dollar (NZD). The value of these investments, when translated to NZD, fluctuates with exchange rate movements. Due to the substantial appreciation of the NZD during the period (refer Note 25) and the reduction in foreign currency borrowings that partially offset these movements, a \$69.5 million adverse translation difference has arisen.

18 Disclosure of tax effects relating to each component of other comprehensive income

	Before tax amount \$'000	Tax (expense)/ benefit \$'000	Net-of-tax amount \$'000
30 September 2009			
Exchange differences on translating foreign operations	(69,457)	-	(69,457)
Cash flow hedges	<u>(20,104)</u>	<u>6,031</u>	<u>(14,073)</u>
Other comprehensive income	<u>(89,561)</u>	<u>6,031</u>	<u>(83,530)</u>
30 September 2008			
Exchange differences on translating foreign operations	23,968	-	23,968
Cash flow hedges	<u>12,395</u>	<u>(3,718)</u>	<u>8,677</u>
Other comprehensive income	<u>36,363</u>	<u>(3,718)</u>	<u>32,645</u>
31 March 2009			
Exchange differences on translating foreign operations	37,842	-	37,842
Cash flow hedges	<u>10,024</u>	<u>(3,007)</u>	<u>7,017</u>
Other comprehensive income	<u>47,866</u>	<u>(3,007)</u>	<u>44,859</u>

19 Prospective financial information

On 27 May 2009 Fisher & Paykel Appliances Holdings Limited issued an investment statement and prospectus in relation to a rights offer of ordinary shares. This prospectus contained prospective financial statements for the Group for the year ending 31 March 2010. Those prospective financial statements did not disclose information for the interim period ending 30 September 2009. However, the Directors wish to report the Company's progress against the full year prospective financial statements by comparing the actual results to 30 September 2009 against the prospective financial information for the period ending 30 September 2009 inherent in the full year prospective financial statements.

General commentary on actual versus prospective results

On 24 September 2009, the Company announced that as a consequence of depressed market conditions and increased competition, especially in the United States of America, that the full year result would be a loss of between \$2.0-5.0 million versus a profit of \$11.7 million in the Prospective Income Statement. On 30 October 2009, there was a further announcement that the North American asset carrying values were under review and as a result, a further charge of \$70 million to \$75 million before taxation was expected.

The factors that caused this earnings downgrade and the results of the North American asset carrying value review have been the primary causes of the variances between prospective and actual results for the period ended 30 September 2009. These primary factors were:

- lower sales in the US.
- impairment of asset carrying values. The North American impairment and fair valuation losses were \$76.1 million – refer Notes 7, 8, 10 and 11. Additional impairment losses and onerous lease costs of \$1.5 million were recognised – refer Notes 9 and 14.
- foreign exchange rates were different to those assumed

These primary factors are described in more detail below.

Foreign exchange rates

The table below sets out the actual exchange rates at 30 September 2009 versus those assumed in the prospective financial statements for the translation of revenues, expenses and balance sheet amounts throughout the year ending 31 March 2010.

	30 September 2009 actual	Prospectus
United States dollar	0.7215	0.5100
Australian dollar	0.8206	0.7800
Euro	0.4935	0.3900
British pound	0.4502	0.3900
Thai baht	23.7519	18.5000

The appreciation of the New Zealand dollar (NZD) against these currencies has led to significant variations, on a line by line basis, between the prospective financial statements and the actual results.

The translation of transactions and balances from local currencies to NZD has led to lower NZD values than had been assumed. The impact of these translation differences on individual items are described below. The net impact on the Group's earnings has been to marginally increase the earnings as a higher proportion of expenses are denominated in foreign currencies than revenues. The net impact on the balance sheet is to reduce net assets as more assets are denominated in foreign currencies than liabilities.

Despite the appreciation of the NZD, an overall positive impact on the earnings has not been achieved as there have been a number of negative impacts that have more than offset the expected benefit from the appreciation. Most notably these have included the lower revenues (Refer Prospective Income Statement sub-note (a)) and higher manufacturing costs (Refer Prospective Income Statement sub-note (i)).

19 Prospective financial information (continued)

Prospective Income Statement

For the period ended 30 September 2009

	30 September 2009 Actual	30 September 2009 Prospective	Variance
Sub- Notes	\$'000	\$'000	\$'000
Revenue			
Operating revenue	(a) 578,958	654,819	(75,861)
Other income	(b) 5,104	3,608	1,496
Total revenue and other income	<u>584,062</u>	<u>658,427</u>	<u>(74,365)</u>
Items affecting comparability:			
Costs associated with execution of Global Manufacturing Strategy	(c) (14,973)	(8,607)	(6,366)
Redundancy costs	(d) (5,524)	(3,242)	(2,282)
Debt restructuring costs	(e) (9,875)	(8,634)	(1,241)
Impairment losses	(f) (54,357)	-	(54,357)
Fair valuation of non-current assets held for sale	(733)	-	(733)
Fair value adjustments (barter credits, raw materials inventory)	(g) (21,722)	-	(21,722)
EBITDA	(60,215)	41,555	(101,770)
Depreciation expense	(h) (15,028)	(17,722)	2,694
Amortisation expense	(h) (9,710)	(10,124)	414
Operating (Loss)/Profit	(i), (j) (84,953)	13,709	(98,662)
Finance costs	(h) (17,701)	(18,559)	858
(Loss)/Profit before income tax	(102,654)	(4,850)	(97,804)
Income tax expense	(k) 20,244	(6,207)	26,451
(Loss)/Profit for the year	(82,410)	(11,057)	(71,353)

Explanation of variances

(a) the lower revenue was caused by three key factors:

- i) a higher NZD, which had the effect of reducing revenue by approximately \$52 million when translating revenues into NZD compared to the assumed exchange rates set out above
- ii) in North America, sales were 11.3% below forecast in local currency due to higher than expected levels of competition and continued depressed market conditions, particularly in the high end of the appliance sector
- iii) sales in Australia were 9% below forecast (in local currency terms). Sales were constrained by supply during the period that the factories were being relocated and recommissioned. Furthermore there has been an unfavourable change in the mix of product sold as cooking and DishDrawer sales have slowed further in the current economic downturn. Sales are expected to recover in the second half following the full commissioning of the relocated factories and as new sales initiatives are implemented

Sales revenue in New Zealand and other regions, in local currency terms, was substantially in line with the prospectus assumptions

(b) other income was higher than forecast due to the timing of property sales (Refer Prospective Balance Sheet sub-note (a))

(c) Global Manufacturing Strategy costs were higher than forecast for the half due to the timing of costs (some costs were assumed to be incurred in the second half of the year) and higher costs were incurred in the commissioning phases due to the complexity of the relocation exercise

(d) redundancy costs were higher than forecast as there have been additional retrenchments that had not been anticipated or forecast

(e) debt restructuring costs were higher than forecast due to additional professional fees for advisors

(f) impairment losses were not forecast and mainly comprise North American related assets (Refer Notes 10 and 11), the "DCS" brand (Note 11) and capitalised research & development (refer Note 11)

19 Prospective financial information (continued)

- (g) fair value adjustments were not forecast and comprise the North American barter credits (refer Note 7) and raw materials inventory at Reynosa, Mexico (Refer Note 8)
- (h) depreciation, amortisation and financing costs were lower than forecast due to the higher NZD
- (i) manufacturing costs at the new Reynosa factory in Mexico have been higher than expected. Lower production volumes, which are reflective of lower sales, have adversely affected the recovery of manufacturing overheads and the outsourcing of injection moulding and press metal processing has initially been more expensive than assumed. A number of cost saving opportunities have been identified and these are being implemented. These measures, along with the localisation of materials sourcing in Mexico are forecast to reduce costs over the remainder of the financial year
- (j) the Finance business' profit was higher than forecast due to:
- i) tighter credit acceptance criteria, resulting in an improvement in the quality of more recently originated finance receivables and an intense focus on customer account management reducing the bad debt expense below the level forecast
 - ii) operating overheads are lower than forecast due to cost control measures
- (k) the income tax credit is higher due to the increased loss before taxation compared to forecast

19 Prospective financial information (continued)

Prospective Statement of Changes in Equity

For the period ended 30 September 2009

	30 September 2009 Actual	30 September 2009 Prospective	Variance
Sub-Notes	\$'000	\$'000	\$'000
Opening equity	565,552	565,552	-
Issue of share capital	190,433	178,800	11,633
Net Income and expense recognised directly in equity	<u>(83,530)</u>	<u>43,591</u>	<u>(127,121)</u>
Other changes in equity	672,455	787,943	(115,488)
(Loss)/profit for the period	<u>(82,410)</u>	<u>(11,057)</u>	<u>(71,353)</u>
Closing equity	<u>590,045</u>	<u>776,886</u>	<u>(186,841)</u>

Explanation of variances

(a) the Company raised more equity from the rights offer and share placement earlier this year than had been assumed

19 Prospective financial information (continued)

Prospective Balance Sheet

As at 30 September 2009

	30 September 2009 Actual	30 September 2009 Prospective	Variance
Sub-Notes	\$'000	\$'000	\$'000
Assets			
<i>Current assets</i>			
Cash & cash equivalents	(a) 92,119	47,876	44,243
Trade receivables & other current assets	(b) 210,047	205,346	4,701
Finance receivables	(c) 365,824	396,259	(30,435)
Inventories	(d) 216,797	295,388	(78,591)
Non-current assets classified as held for sale	(e) 42,164	70,706	(28,542)
Derivative financial instruments	5,597	924	4,673
Current tax receivables	9,095	2,303	6,792
Total current assets	941,643	1,018,802	(77,159)
<i>Non-current assets</i>			
Property, plant & equipment	(f) 227,051	336,425	(109,374)
Other non-current assets	(g) 2,914	13,503	(10,589)
Finance receivables	(c) 199,391	136,170	63,221
Intangible assets	(h) 246,132	303,972	(57,840)
Derivative financial instruments	601	-	601
Deferred taxation	73,808	72,296	1,512
Total non-current assets	749,897	862,366	(112,469)
Total assets	1,691,540	1,881,168	(189,628)
Liabilities			
<i>Current liabilities</i>			
Bank overdraft	(a) 19,174	-	19,174
Current borrowings	(a) 72,903	-	72,903
Current finance leases	578	776	(198)
Trade creditors	(i) 103,112	123,295	(20,183)
Provisions	(j) 22,015	25,646	(3,631)
Finance borrowings	(k) 460,993	425,341	35,652
Derivative financial instruments	15,795	5,347	10,448
Current tax liabilities	2,226	686	1,540
Other current liabilities	71,650	84,146	(12,496)
Total current liabilities	768,446	665,237	103,209
<i>Non-current liabilities</i>			
Non-current borrowings	(a) 211,569	305,957	(94,388)
Non-current finance leases	75	-	75
Finance borrowings	(k) 54,446	60,150	(5,704)
Deferred taxation	24,140	32,056	(7,916)
Other non-current liabilities	14,925	17,837	(2,912)
Provisions	(j) 20,133	23,045	(2,912)
Derivative financial instruments	7,761	-	7,761
Total non-current liabilities	333,049	439,045	(105,996)
Total liabilities	1,101,495	1,104,282	(2,787)
Shareholders' equity			
Contributed equity	841,943	830,310	11,633
Retained earnings	(199,050)	(127,697)	(71,353)
Reserves	(52,848)	74,273	(127,121)
Total shareholders' equity	590,045	776,886	(186,841)
Total liabilities and shareholders' equity	1,691,540	1,881,168	(189,628)

Explanation of variances

- (a) excluding operating borrowings and cash & cash equivalents for the Finance business, net bank debt at 30 September 2009 was \$264.6 million, compared to forecast of \$281.3 million. This lower net debt level was due to the higher NZD, which resulted in foreign currency denominated debt when translated to NZD, being lower than forecast. The effect was partially offset by lower sales which reduced cash flow from operations. Furthermore, cash proceeds from property sales were not realised as the Cleveland, Australia property did not sell in September 2009 as forecast. Lot 1 of the East Tamaki property was sold on 9 September 2009 and settled on 9 October 2009
- (b) other current assets at 30 September 2009 includes the \$53 million of receivables from the sale of Lot 1 of the East Tamaki site. After excluding this amount, trade receivables are lower than forecast, which is due to lower revenues, particularly in September, and a higher NZD affecting the translation of balances to NZD, which has had the affect of reducing receivables by approximately \$40 million compared to translation at the forecast exchange rates. There has been no material change in the ageing of receivables
- (c) Finance receivables are higher than forecast due to higher than anticipated new lending
- (d) excluding the currency changes, the inventory balance was \$8 million below forecast at 30 September 2009. There was \$2.4 million of inventory left over from the stock build that had yet to be sold (Refer Note 8(a)).
- (e) the prospective financial statements assumed that the Cleveland, Australia property would be sold by 30 September 2009 and that the East Tamaki site would be sold in the second half of the year. The actual outcome has been that Lot 1 of East Tamaki was sold for \$53 million. The Company has a conditional sale agreement for \$21 million on the balance of the East Tamaki site and continues to actively market the Cleveland site
- (f) property, plant & equipment was lower than forecast due to the higher NZD, which reduced the carrying value by approximately \$70 million, and impairment charges for the Reynosa and Ohio plants (Refer Note 10, approximately \$27 million)
- (g) other non-current assets were lower than forecast due to a write-down in the value of the North American barter credits (Refer Note 7(a))
- (h) intangible assets were lower than forecast due to the impairment of the DCS brand and capitalized research & development. The foreign currency translation has also caused the balance to be lower than forecast
- (i) trade creditors were affected by currency movements as the majority of creditors are denominated in foreign currencies. This had an estimated impact of reducing the balance by approximately \$23 million
- (j) provisions were lower than forecast as the warranty provision is lower due to less sales than had been forecast
- (k) Finance borrowings were higher than forecast due to the higher than forecast new business lending (Refer sub-note (c) above)

19 Prospective financial information (continued)

Prospective Cash Flow Statement

For the period ended 30 September 2009

	30 September 2009 Actual	30 September 2009 Prospective	Variance
Sub-Notes	\$'000	\$'000	\$'000
Cash flows from operating activities			
Receipts from customers	(a) 525,111	582,125	(57,014)
Financing interest and fee receipts	65,158	58,602	6,556
Interest received	279	-	279
Payments to suppliers and employees	(b) (531,443)	(565,678)	34,235
Income taxes paid	(1,834)	(3,557)	1,723
Interest paid	<u>(39,404)</u>	<u>(44,334)</u>	<u>4,930</u>
	17,867	27,158	(9,291)
Principal on loans repaid by Finance business customers	(c) 280,576	300,800	(20,224)
New loans to Finance business customers	(c) <u>(269,931)</u>	<u>(257,100)</u>	<u>(12,831)</u>
Net cash inflow/(outflow) from operating activities	<u>28,512</u>	<u>70,858</u>	<u>(42,346)</u>
Cash flows from investing activities			
Sale of property, plant & equipment	(d) 9,872	34,900	(25,028)
Purchase of property, plant & equipment	(21,314)	(28,273)	6,959
Capitalisation of intangible assets	<u>(2,939)</u>	<u>(900)</u>	<u>(2,039)</u>
Net cash inflow/(outflow) from investing activities	<u>(14,381)</u>	<u>5,727</u>	<u>(20,108)</u>
Cash flows from financing activities			
New Appliances business borrowings	585,913	549,762	36,151
New Finance business borrowings	(c) 12,515	111	12,404
Repayment of former Appliances' borrowings	(531,550)	(549,555)	18,005
Repayment of the Appliances business' Amortising Facility	(e) (199,242)	(229,284)	30,042
Repayment of the Appliances business' Term Facility	(52,288)	(4,506)	(47,782)
Repayment of Finance business borrowings	(c) (38,569)	(69,000)	30,431
Lease liability payments	(408)	(432)	24
Issue of share capital (net of issue costs)	(f) 190,433	178,800	11,633
Net cash inflow/(outflow) from financing activities	<u>(33,196)</u>	<u>(124,104)</u>	<u>90,908</u>
Net decrease in cash & cash equivalents	<u>(19,065)</u>	<u>(47,519)</u>	<u>28,454</u>
Cash & cash equivalents at the beginning of period	95,395	95,395	-
Effects of foreign exchange rate changes on cash & cash equivalents	<u>(3,385)</u>	<u>-</u>	<u>(3,385)</u>
Cash & cash equivalents at end of period	<u>72,945</u>	<u>47,876</u>	<u>25,069</u>

Explanation of variances

- (a) refer Prospective Income Statement sub-note (a)
- (b) refer Prospective Income Statement sub-notes (c) & (i)
- (c) refer Prospective Balance Sheet sub-notes (c) & (k)
- (d) refer Prospective Balance Sheet sub-note (a)
- (e) refer Prospective Balance Sheet sub-notes (a), (b) & (e)
- (f) refer Prospective Statement of Changes in Equity sub-note (a)

20 Contingencies

As at 30 September 2009 the Company had no contingent liabilities or assets, other than a contingent liability of \$760,700 for Directors' retirement allowances (September 2008 \$704,375, March 2009 \$757,125). Since balance date, Mr Norman Geary was paid a retirement allowance of \$105,392 - refer Note 24.

Periodically, the Group is party to litigation including product liability claims. To date, such claims have been settled for relatively small monetary amounts, which have either been expensed or covered by insurance.

Mexico Customs Claim

Refer Note 35 of the 2009 Annual report. During the period, Fisher & Paykel Appliances Mexico, S. de R.L. de C.V., has paid customs duties of US\$2.9 million, which arose from operations prior to acquisition. The Sellers (jointly Maytag Corporation and Maytag Inc.) have fully reimbursed Fisher & Paykel Appliances Mexico, S. de R.L. de C.V. for these customs duties pursuant to the Share Purchase Agreement.

Italy Tax Audit

Refer Note 35 of the 2009 Annual report. The tax audit of Fisher & Paykel Appliances Italy S.p.A. (formerly Elba S.p.A.) in respect of the 2005 fiscal year is ongoing. The company was acquired in June 2006 and the Share Purchase Agreement includes an indemnity from the Sellers (D&L) in relation to tax.

21 Commitments

(a) Capital commitments

Capital expenditure contracted for at Balance Date but not recognised as liabilities is as follows:

	30 September 2009 \$'000	30 September 2008 \$'000	31 March 2009 \$'000
Within one year	<u>154</u>	<u>12,724</u>	<u>22,453</u>
	154	12,724	22,453

The above balances have been committed in relation to future expenditure on capital projects. Amounts already spent have been included as work in progress in the current year results.

(b) Lease commitments

(i) Operating leases

These relate mainly to building occupancy leases under non-cancellable operating leases expiring within one to fifteen years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	30 September 2009 \$'000	30 September 2008 \$'000	31 March 2009 \$'000
Within one year	22,386	20,162	22,986
Between one and two years	20,241	15,931	16,947
Between two and three years	15,264	11,519	11,898
Between three and four years	14,135	8,351	10,039
Between four and five years	13,128	7,512	9,108
Over five years	61,490	16,403	12,533
	<u>146,644</u>	<u>79,878</u>	<u>83,511</u>

The large increase in lease commitments over five years is due to the sale & leaseback of part of the Group's East Tamaki, Auckland site.

(ii) Finance leases

The Appliances business leases various items of plant & equipment with a carrying amount of \$1.6 million (September 2008 \$3.4 million, March 2009 \$2.3 million) under finance leases expiring in one to three years. Under the finance leases, the Appliances business has the right of renewal or the option to purchase the leased items at the expiry of the lease.

Commitments for minimum lease payments in relation to finance leases are as follows:

	30 September 2009 \$'000	30 September 2008 \$'000	31 March 2009 \$'000
Within one year	578	2,009	776
Between one and two years	69	640	407
Between two and three years	4	77	22
Between three and four years	-	3	3
Minimum lease payments	<u>651</u>	<u>2,729</u>	<u>1,208</u>

The weighted average interest rate implicit in the leases is 3.2% (September 2008 6.1%, March 2009 5.9%).

(c) Undrawn lending commitments (Finance business)

Undrawn lending commitments include unutilised credit card and fixed instalment limits, which can be unconditionally cancelled by the Finance business at any time.

	30 September 2009 \$'000	30 September 2008 \$'000	31 March 2009 \$'000
Undrawn lending commitments	1,815,285	2,284,697	2,188,968

22 Reconciliation of (loss)/profit after income tax to net cash inflow from operating activities

	30 September 2009 \$'000	30 September 2008 \$'000	31 March 2009 \$'000
(Loss) after taxation	(82,410)	(7,347)	(95,254)
<i>Add/(deduct) non-cash items:</i>			
Depreciation of property, plant & equipment to recoverable amount	15,028	19,109	39,620
Impairment loss on property, plant & equipment	28,149	593	14,395
Impairment loss on intangible assets	26,941	-	69,688
Fair value adjustment on other assets	11,762	-	-
Amortisation of intangible assets	9,710	9,079	18,869
(Gain) on sale of non-current assets	(4,067)	-	(8,216)
Finance business bad debts written off	10,446	9,128	21,608
Movement in accrued interest	1,010	1,274	(1,533)
Net increase/(decrease) in loans and advances to customers	10,645	(6,336)	(23,096)
Movement in provisions	(31,155)	24,626	20,685
Movement in tax	(15,576)	(12,564)	(36,789)
Movement in payables and accruals	(57,585)	27,912	16,303
Movement in debtors and other current assets	8,069	(19,144)	(12,244)
Movement in inventories	140,997	(34,102)	(80,414)
Fair value adjustment/reclassification of derivative financial instruments	(3,107)	(233)	11,141
Fair value adjustment to other financial assets	(337)	-	1,327
Non-cash share based payments expense	175	104	30
Foreign currency exchange translation	(40,183)	18,561	30,164
Net cash inflow from operating activities	<u>28,512</u>	<u>30,660</u>	<u>(13,716)</u>

23 Share-based payments

Employee option plan

On 31 August 2009, 5,205,000 share options issued in August 2004 lapsed on maturity. There are no equity based share option schemes in operation as at 30 September 2009.

24 Events occurring after the balance sheet date

On 9 October 2009, Lot 1 of the East Tamaki site was sold for \$53 million, of which \$49.25 million was received immediately and the remaining balance of \$3.75 million is receivable within the following six months.

Following receipt of the above sale proceeds, the Group repaid the Amortising Facility in full. \$40 million of the Term Loan Facility was also converted to a Current Debt Facility repayable by 31 March 2010. Refer also Note 13.

On 29 October 2009, the Board approved payment of a retirement allowance of \$105,392 to Mr Norman Geary, who retired from the Board on 17 August 2009.

On 30 October 2009, the Board announced the indicative results from a review of the carrying values of North American assets – refer Notes 7, 8, 10 & 11 for details of the related adjustments to the interim financial statements.

On 25 November 2009, the Finance business' \$335 million syndicated banking facility was amended, which resulted in termination date extensions as follows:

- Tranche A (\$20 million) extended to 10 April 2011
- Tranche B (\$105 million) extended to 10 April 2011
- Tranche C (\$105 million) extended to 10 October 2012
- Tranche D (\$105 million) termination date remained unchanged at 25 September 2011

25 Foreign currency exchange rates

	30 September 2009	30 September 2008	31 March 2009
NZ\$1.00 =			
United States dollar	0.7215	0.6699	0.5686
Australian dollar	0.8206	0.8379	0.8259
Euro	0.4935	0.4666	0.4289
British pound	0.4502	0.3721	0.3972
Thai baht	23.7519	22.7200	20.2400
Mexican peso	9.7586	7.4161	8.1308

The above foreign currency exchange rates have been applied at each balance date.

(Source: ANZ Global Markets)

Accountants' Report

To the shareholders of Fisher & Paykel Appliances Holdings Limited

We have reviewed the condensed consolidated interim financial statements on pages 1 to 32. The condensed consolidated interim financial statements provide information about the past financial performance and cash flows of Fisher & Paykel Appliances Holdings Limited (the Company) and its subsidiaries (together the Group) for the period ended 30 September 2009 and its financial position as at that date. This information is stated in accordance with the accounting policies set out on page 8.

This report is made solely to the Company's shareholders, as a body. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an accountant's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our review procedures, for this report, or for the opinions we have formed.

Directors' responsibilities

The Company's Directors are responsible for the preparation and presentation of the condensed consolidated interim financial statements that present fairly the financial position of the Group as at 30 September 2009 and its financial performance and cash flows for the period ended on that date in accordance with New Zealand equivalent to International Accounting Standard 34: *Interim Financial Reporting* (NZ IAS 34) and International Accounting Standard 34: *Interim Financial Reporting* (IAS 34).

Accountants' responsibilities

We are responsible for reviewing the condensed consolidated interim financial statements presented by the Directors in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the financial statements do not present fairly the matters to which they relate in accordance with NZ IAS 34 and IAS 34.

Basis of opinion

A review is limited primarily to enquiries of Company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit on the condensed consolidated interim financial statements and, accordingly, we do not express an audit opinion.

We have reviewed the condensed consolidated interim financial statements of the Group for the period ended 30 September 2009 in accordance with the Review Engagement Standards issued by the Institute of Chartered Accountants of New Zealand.

We have no relationship with or interests in the Company or any of its subsidiaries other than in our capacity as accountants conducting this review, auditors of the annual financial statements and providers of other advisory services.

Accountants' Report

Fisher & Paykel Appliances Holdings Limited

Emphasis of matter

In forming our opinion on the condensed consolidated interim financial statements, which is not qualified, we have considered the adequacy of the disclosure made in Note 3 to the condensed consolidated interim financial statements, concerning the Group's ability to continue as a going concern.

The going concern assumption is dependent on the ability of the Guaranteeing Group to meet the obligations under its banking facility agreements, which is dependent on the Guaranteeing Group achieving Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) thresholds as specified by the Company's banking syndicate, the outcome of which is inherently uncertain.

The condensed consolidated interim financial statements do not include adjustments that would result if the Group was unable to continue as a going concern.

Unqualified review opinion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements do not present fairly the financial position of the Group as at 30 September 2009 and its financial performance and cash flows for the year ended on that date in accordance with NZ IAS 34 and IAS 34.

Our review was completed on 27 November 2009 and our review opinion is expressed as at that date.



Chartered Accountants

Auckland

Appendix 4D

Half yearly report

Name of entity

FISHER & PAYKEL APPLIANCES HOLDINGS LIMITED

ABN or equivalent
company reference

98026263

Half yearly
(tick)

✓

Preliminary
final (tick)

Half year ended ('current period')

30 SEPTEMBER 2009

Half year ended ('previous corresponding period')

30 SEPTEMBER 2008

Results for announcement to the market

Extracts from this report for announcement to the market (see note 1).

\$NZ'000

Revenues from ordinary activities (item 2.1)	(down)	(16.3)%	to	584,062
Profit (loss) from ordinary activities after tax attributable to members (item 2.2)	(down)	(1,021.7)%	to	(82,410)
Net profit (loss) for the period attributable to members (item 2.3)	(down)	(1,021.7)%	to	(82,410)
Dividends (distributions) (Please refer to commentary for further details)		Amount per security		Franked amount per security
Interim dividend (Half yearly report only - item 2.4)		Nil ¢		N/A ¢
Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (item 2.5)		N/A		
Brief explanation of any of the figures in 2.1 to 2.4 necessary to enable the figures to be understood. (item 2.6)				
Please refer to attached commentary.				

NTA backing

(see note 7)

	Current period -	Previous corresponding period
3.0 Net tangible asset backing per ordinary security	0.5	1.1

Control gained over entities having material effect

4.1 Name of entity (or group of entities)	N/A
4.2 Date from which such profit has been calculated	N/A
4.3 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was +acquired	\$ N/A
Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	\$ N/A

Loss of control of entities having material effect

4.1 Name of entity (or group of entities)	N/A
4.2 Date to which the profit (loss) in item 14.2 has been calculated	N/A
4.3 Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	\$ N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	\$ N/A
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$ N/A

Dividends (in the case of a trust, distributions)

5 Date the dividend (distribution) is payable	N/A
Record date to determine entitlements to the dividend (distribution) (ie, on the basis of proper instruments of transfer received by 5.00 pm if securities are not CHES approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if securities are CHES approved)	N/A
If it is a final dividend, has it been declared? (Preliminary final report only)	N/A

Amount per security

		Amount per security	Imputed amount per security	Amount per security of foreign source dividend
	Interim dividend:	Current year	Nil	N/A
		Previous year	5 ¢	N/A
			¢	¢

Half yearly report - interim dividend (distribution) on all securities or

	Current period \$NZ'000	Previous corresponding period \$NZ'000
Ordinary securities (each class separately)	-	14,394
Preference securities (each class separately)	-	-
Other equity instruments (each class separately)	-	-
Total	-	14,394

Dividend or distribution plans in operation (item 6.0)

The dividend or distribution plans shown below are in operation.

A Dividend Reinvestment Plan (DRP) has been introduced whereby eligible New Zealand and Australian shareholders are able to elect to apply some or all of their dividend payments to acquire ordinary shares in the Company at a discount of 2.5% of the average of the volume weighted average sale price for the Company's ordinary shares calculated on all price setting trades which take place through the NZSX and ASX over a period of 10 trading days commencing on the third business day after the Shares first trade ex-entitlement on the NZSX. No transaction costs will be payable by shareholders on shares allocated to them under the DRP.

The last date(s) for receipt of election notices for the dividend or distribution plans

N/A

Any other disclosures in relation to dividends (distributions). (For half yearly reports, provide details in accordance with paragraph 16(f) of AASB 134 Interim Financial Reporting)

A dividend is not currently permitted under the terms of the Group's banking facilities.

Details of associates and joint venture entities (item 7.0)

Group's share of associates' and joint venture entities':

	Current period \$NZ'000	Previous corresponding period \$NZ'000
Profit (loss) from ordinary activities before tax	NIL	NIL
Income tax on ordinary activities	NIL	NIL
Profit (loss) from ordinary activities after tax	NIL	NIL
Extraordinary items net of tax	NIL	NIL
Net profit (loss)	NIL	NIL
Adjustments	NIL	NIL
Share of net profit (loss) of associates and joint venture entities	NIL	NIL


Compliance statement

8.0 This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX (see note 12).

Identify other standards used

**NEW ZEALAND EQUIVALENTS TO
INTERNATIONAL FINANCIAL REPORTING
STANDARDS**

9.0 The Accounts are not subject to audit dispute or qualification.

Sign here: 
.....
(Company Secretary)

Date: **27 November 2009**

Print name: **Mark David Richardson**

Fisher & Paykel Appliances Holdings Limited

Half-Year Information

Directors' Declaration

The Directors declare that the interim condensed consolidated financial statements:

- i. comply with New Zealand Equivalents to International Financial Reporting Standards
- ii. give a true and fair view of the financial position of Fisher & Paykel Appliances Holdings Limited and its subsidiaries as at 30 September 2009 and of their performance, as represented by the results of their operations and their cash flows for the half-year ended on that date.

In the Directors' opinion at the date of this declaration there are reasonable grounds to believe that Fisher & Paykel Appliances Holdings limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of Directors and is signed for and on behalf of the Board of Directors.

Dated at Auckland this 27th day of November 2009.



Ralph G Waters
Chairman



Stuart B Broadhurst
Acting Chief Executive Officer

Fisher & Paykel Appliances Holdings Limited

DIRECTORS' DETAILS

The Directors of Fisher & Paykel Appliances Holdings Limited at any time during or since the end of half-year were as follows:

Ralph G Waters	Chairman, Independent
John W Gilks	Deputy Chairman, Independent
John H Bongard	Executive Director
Norman M T Geary	Non-Executive, Independent
W Lindsay Gillanders	Non-Executive, Independent
Peter D Lucas	Non-Executive, Independent
Gary A Paykel	Non-Executive, Independent
Tan Lixia	Non-Executive
Zhou Yunjie	Non-Executive
Simon J Botherway	Non-Executive, Independent

During the six month period ended 30 September 2009, Tan Lixia and Zhou Yunjie, as representatives of the Haier Group, were appointed as additional Directors. At the Annual Shareholders Meeting on 17 August 2009, Ms Tan and Mr Zhou were elected to the Board and John Gilks, who retired by rotation in accordance with the Company's Constitution, was re-elected to the Board.

At the conclusion of the Annual Shareholders Meeting, Norman Geary retired from the Board and Simon Botherway was appointed to the Board as an additional Director.

On 30 September 2009, John Bongard retired from the Board.

On 26 November 2009, Gary Paykel stepped down as Chairman of the Board, but remained as a Non-Executive Director. Ralph Waters replaced Gary Paykel as Chairman of the Board.