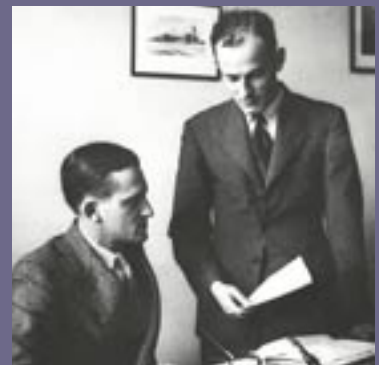


FISHER & PAYKEL APPLIANCES HOLDINGS LIMITED

Interim Report 2004 / 05





International Growth Underpins Result

Continued growth in appliance sales in the United States and other Rest of World international markets along with increased earnings from the expanded Finance business in New Zealand produced a strong underlying financial performance in the half-year to 30 September 2004.

The Company posted a Profit after taxation of \$34.5 million compared to \$34.9 million (which included a \$5.35 million tax paid dividend from Fisher & Paykel Healthcare Corporation Limited) for the same period last year.

As expected some slowing in appliance sales was experienced in our home markets of New Zealand and Australia. However, in the United States unit sales increased by 35 per cent and other Rest of World international markets by 52 per cent.

The Finance group performed strongly. Its results included a full six months contribution from the Farmers Finance business, which was acquired in November 2003.

Profit before taxation was \$52.7 million, compared to \$49.4 million for the previous corresponding period. The taxation expense was equivalent to 34.4 per cent of Profit before taxation, compared to 29.3 per cent for the previous corresponding period. The difference was largely due to two factors. Firstly, the Healthcare dividend received in the previous corresponding period was tax-paid. Secondly, a \$4 million intangible amortisation charge in the current period, which followed the acquisition of Farmers Finance, was non-deductible for taxation purposes.

A pleasing aspect of the Company's performance was the increase in operating profit before interest and taxation from its core Appliances and Finance activities, from \$45.7 million to \$54.7 million.






There were no abnormal items in the current period.

Financial Performance

	Unaudited 6 Months 30 Sep 2004 NZ\$000	Unaudited 6 Months 30 Sep 2003 NZ\$000	Year 31 Mar 2004 NZ\$000
Operating Profit Before Interest and Taxation			
Appliances	39,129	42,628	102,109
Finance	15,582	3,052	17,690
	54,711	45,680	119,799
Healthcare Dividend	–	5,350	10,106
	54,711	51,030	129,905
Interest	(2,056)	(1,661)	(7,382)
Profit before Taxation	52,655	49,369	122,523
Taxation	(18,131)	(14,441)	(37,217)
Profit after Taxation	34,524	34,928	85,306

Revenue

Revenue increased by \$38.8 million to \$469.4 million.

	Unaudited 6 Months 30 Sep 2004 NZ\$000	Unaudited 6 Months 30 Sep 2003 NZ\$000	Year 31 Mar 2004 NZ\$000
Appliances			
 New Zealand	115,326	116,542	244,219
 Australia	183,390	193,310	418,860
 USA	89,459	69,634	139,662
 Singapore	3,429	4,470	8,766
 Europe	6,385	10,482	23,554
Rest of World	10,565	8,321	17,687
Total Appliances Revenue	408,554	402,759	852,748
Finance New Zealand	60,596	22,275	75,119
Dividends	–	5,402	10,184
Interest	268	166	609
Total Operating Revenue	469,418	430,602	938,660

For Appliances, revenue increased by \$5.8 million despite the appreciation of the New Zealand dollar. Currency translation effects eroded revenue by approximately \$10 million when calculated at the average rate for the previous comparative period.

The Finance group's revenue increase was primarily due to its expansion with the acquisition of Farmers Finance.

There was no dividend income as a consequence of the sale of the Company's shareholding in Fisher & Paykel Healthcare Corporation in February 2004.

Cash Flow

Cash flow from operations was \$30.9 million.

Working capital levels for the Appliances group (inventories and trade debtors net of trade creditors) increased by \$45.3 million during the half-year. This was due to a planned build of finished goods inventory to support the expansion in the USA and to provide a manufacturing window for the start of the Whirlpool *DishDrawer*® production and other seasonal stocking requirements. The Company expects to return to normal levels by the end of the fiscal year.

Capital and Depreciation

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

	Unaudited 6 months 30 Sep 2004 NZ\$000	Unaudited 6 months 30 Sep 2003 NZ\$000
Appliances	30,305	16,359
Finance	3,486	659

Capital expenditure for the Appliances group for the half-year included an \$8 million investment for the component supply contract with Whirlpool Corporation. As previously announced, the supply contract will require a capital investment of around \$25 million.

Capital expenditure to support existing Appliances operations amounted to \$22.3 million.

For the year ending 31 March 2005 capital expenditure for Appliances is forecast at \$69 million, comprising \$55 million for existing operations, \$4 million for Dynamic Cooking Systems, and \$10 million for the Whirlpool component supply contract.

Capital expenditure for the Finance group for the half includes the expansion of its office facilities at East Tamaki, Auckland, to accommodate the recently acquired Farmers finance business.

Depreciation charges for the half were:

	Unaudited 6 months 30 Sep 2004 NZ\$000	Unaudited 6 months 30 Sep 2003 NZ\$000
Appliances	13,773	12,778
Finance	828	864

Dividend

Directors have approved an interim dividend of 9 cents per share (8.8 cents for the previous corresponding period), carrying a full imputation credit. Non-resident shareholders will receive a supplementary dividend of 1.588 cents per share.

The interim dividend will be paid on 8 December 2004, with a record date of 26 November 2004 and an ex-dividend date of 22 November 2004 for the ASX and 29 November 2004 for the NZX.

Appliances Group

The Appliances group segmented result for the six months ended 30 September 2004 was:

	Unaudited 6 Months 30 Sep 2004 NZ\$000	Unaudited 6 Months 30 Sep 2003 NZ\$000	Year 31 Mar 2004 NZ\$000
Total Appliances Revenue	408,793	402,909	853,311
Operating Profit before Interest and Taxation	39,129	42,628	102,109
Assets Employed	534,715	472,928	485,450
Earnings to Sales Margin	9.6%	10.6%	12.0%

Good growth in unit sales continued in the USA. Our other Rest of World international markets also increased strongly. As expected market conditions in New Zealand and Australia have softened slightly with volumes down on the previous record levels.






The growth in the USA and other Rest of World international markets is in line with our strategy to reduce our reliance on the cyclical Australia and New Zealand markets.

The Appliances business has been operating in a very competitive climate and has experienced continued pressure on costs. This has been intensified by recent substantial increases for steel, plastics, and other components.

The overall effect of currency movements was to reduce Operating Profit before Interest and Taxation by an estimated \$2.7 million compared to the previous corresponding period.

Market Reviews

Unit sales are shown in the following table:

	6 Months 30 Sep 2004 Units	6 Months 30 Sep 2003 Units	Increase (Decrease) %
 New Zealand	150,900	154,200	(2.1)
 Australia	302,300	312,800	(3.4)
 USA	97,700	72,400	34.9
 Singapore	5,000	5,700	(12.3)
 Europe	9,500	11,400	(16.7)
Rest of World	22,100	14,500	52.4
Total	587,500	571,000	2.9

New Zealand sales units showed a decrease of 2.1 per cent on the previous corresponding period, at 150,900 units (-2.2 per cent in NZD terms). This reflects the decline in retail spending experienced in the later months of the half-year. Market competition is still strong.

Australian sales volumes also declined by 3.4 per cent to 302,300 units (-4.7 per cent in AUD terms). Australia experienced a milder winter than last year, when the Company sold record numbers of clothes dryers.

After a re-investigation by the Australian Customs Service, the Minister of Customs imposed dumping duties, effective from 6 September 2004, against Korean manufacturers of washing

machines. Some price adjustments are evident in the market across a range of products but competition remains keen in all sectors.

The USA continued its outstanding growth in sales to 97,700 units, up 34.9 per cent on the previous corresponding period (34.1 per cent in USD terms). The introduction of the *SmartLoad*[®] clothes dryers to this market has stimulated interest, and brand awareness of Fisher & Paykel continues to grow. The Company's relationship with the Lowe's retail chain continues to develop. We also continue to receive support from our traditional independent retailers. Focus has remained on training retailers on the features and benefits of our full range of products in that market. The expansion of our regional warehouses continues.

Sales in Singapore were affected by the closure of two of our biggest independent retailers and competitive pricing. Sales volumes declined by 12.3 per cent (18.5 per cent in SGD terms).

European unit sales declined by 16.7 per cent over the previous corresponding period. This was due largely to a new distribution arrangement in Great Britain that is taking time to settle in. Our Scandinavian, Irish and Southern European business continues to develop.

Good growth was experienced in the remaining export markets with volumes up by 52.4 percent on last year's first half. New distribution focused on commercial projects assisted this increase. Markets in Japan and the Pacific also performed well.

DCS Acquisition

In October 2004, the Company acquired all the shares in Dynamic Cooking Systems, Inc (DCS), a leading USA manufacturer and distributor of premium cooking appliances. DCS commenced operations in 1987 and is considered one of the leading brands of high-end indoor and outdoor cooking appliances in the United States.

As a result of changes in distribution and initial costs associated with integrating DCS with the Company's operations in the USA, it is expected that the Company's profit after taxation for the year ending 31 March 2005 will be reduced by approximately US\$1.3 million (NZ\$1.9 million). With synergies and other operational improvements the acquisition is expected to contribute US\$7.7 million (NZ\$11.5 million) in earnings before interest and taxation or US\$3.3 million (NZ\$4.9 million) profit after taxation in the calendar year ending 31 December 2005, with further improvements expected in years thereafter.

The total consideration paid for DCS was US\$33 million (NZ\$49.3 million), which was funded by debt. Details of the acquisition are as follows:

	US\$Million	NZ\$Million
Total Assets:		
Current Assets	28.6	42.7
Plant, Property and Equipment	3.8	5.7
Other Assets	1.5	2.2
	33.9	50.6
Total Liabilities:		
Current Liabilities	(21.7)	(32.4)
Net Assets Acquired	12.2	18.2
Goodwill/Intangibles on Acquisition	20.8	31.1
Consideration Paid	33.0	49.3

In addition, it is anticipated that US\$9.7 million (NZ\$14.5 million) in new manufacturing plant and equipment and US\$12 million (NZ\$17.9 million) in working capital will be invested through to December 2005. The capital expenditure will produce efficiencies and improvements well beyond 2005.

Finance Group

The Finance group had a strong result for the half. Earnings included a full six months contribution from the Farmers Finance business purchased in November 2003. Segmented earnings for the September half-year were as follows:

	Unaudited 6 Months 30 Sep 2004 NZ\$000	Unaudited 6 Months 30 Sep 2003 NZ\$000	Year 31 Mar 2004 NZ\$000
Revenue	60,625	22,343	75,243
Operating Profit Before Acquisition Interest and Taxation	15,582	3,052	17,690
Finance Receivables	553,003	252,933	565,619

The Farmers Finance business was legally separated from the Farmers Group on 5 July 2004. This was a significant milestone, which enabled the Farmers finance funding securitisation programme to be transferred to the Finance group. Integration of the business is proceeding to plan and all employees will be accommodated on the one site in expanded premises early in the new calendar year.

The Farmers Finance business is performing to expectation. There are currently 345,000 active Farmers Cardholders and the business continues to provide hire purchase through Farmers stores and other merchants.

Demand for consumer credit generally remained strong during the half-year. However, the business is exposed to seasonal influences and this accounts for the \$12.6 million decline in Finance Receivables during the half-year.

Q Card continues to be well accepted by both merchants and consumers. This product, which offers pre-approved hire purchase on a card, will eventually replace traditional paper based hire purchase transactions. There are currently 50,000 Q Cards on issue, which are accepted by over 350 retail outlets.

The Company maintains an interest rate risk management policy to hedge interest rate exposures. This cushioned the full effect of rising interest rates during the half.

Outlook

The New Zealand and Australian markets continue to show signs of slowing. We expect this to continue over the remainder of the fiscal period. In the USA, the addition of the DCS product range is expected to stimulate further interest in Fisher & Paykel and its brand. This should provide additional impetus to our growth in that market.

Raw material prices, especially for steel and plastics, have continued to rise and are expected to remain at high levels for some time. The company recently completed negotiations for steel and other material requirements for the first half of calendar year 2005. Some erosion in margins will occur due to supply costs in the short term: however, cost-out opportunities continue to be pursued and implemented. Price increases for appliances were implemented in the Australian and New Zealand markets recently but competition remains keen in all markets. Price increases will be implemented in the USA and other international markets effective 1 December 2004.

Currency exposure continues to be related largely to the NZD/AUD cross rate. Eighty per cent of the forecast net NZD/AUD exposure to 31 March 2004 has been hedged at an average exchange rate of A\$0.8773.

The Finance group is expected to perform steadily over the remainder of the current fiscal period. Recent interest rate rises in New Zealand will not affect earnings significantly. Integration of the Farmers finance business will continue, although the major financial benefits will not be realised until the next financial year.

At this time it is difficult to forecast given the volatility of currency, pricing of raw materials and market conditions. After adjusting for the effects of the DCS acquisition of negative \$1.9 million after tax the Directors expect Group Profit after tax to be in the range of \$75 – \$78 million for the financial year.



G A Paykel
(Chairman)

11 November 2004

10 Unaudited Interim Condensed Financial Statements

FISHER & PAYKEL APPLIANCES HOLDINGS LIMITED

Result (Unaudited)

	Consolidated		
	6 months 30 Sep 04 \$'000	6 months 30 Sep 03 \$'000	Year 31 Mar 04 \$'000
Operating profit before interest and taxation from:			
Appliances	39,129	42,628	102,109
Finance New Zealand	15,582	3,052	17,690
	54,711	45,680	119,799
Investments – Fisher & Paykel Healthcare Dividend	–	5,350	10,106
Total profit before interest and taxation	54,711	51,030	129,905
Interest	(2,056)	(1,661)	(7,382)
Profit before taxation	52,655	49,369	122,523
Taxation	(18,131)	(14,441)	(37,217)
Profit after taxation	34,524	34,928	85,306
Earnings per share			
Basic	13c	13c*	33c
Diluted	13c	13c*	32c

* Restated for 4 for 1 share subdivision made on the 14 November 2003.

Revenue (Unaudited)

	Consolidated		
	6 months 30 Sep 04 \$'000	6 months 30 Sep 03 \$'000	Year 31 Mar 04 \$'000
Appliances			
New Zealand	115,326	116,542	244,219
Australia	183,390	193,310	418,860
USA	89,459	69,634	139,662
Singapore	3,429	4,470	8,766
Europe	6,385	10,482	23,554
Rest of World	10,565	8,321	17,687
Total Appliances Revenue	408,554	402,759	852,748
Finance New Zealand	60,596	22,275	75,119
Dividend	–	5,402	10,184
Interest	268	166	609
Total Operating Revenue	469,418	430,602	938,660

Unaudited Interim Condensed Financial Statements

FISHER & PAYKEL APPLIANCES HOLDINGS LIMITED

Statement of Financial Position (Unaudited)

	Consolidated			Appliances Group			Finance Group		
	As at 30 Sep 04 \$'000	As at 31 Mar 04 \$'000	As at 30 Sep 03 \$'000	As at 30 Sep 04 \$'000	As at 31 Mar 04 \$'000	As at 30 Sep 03 \$'000	As at 30 Sep 04 \$'000	As at 31 Mar 04 \$'000	As at 30 Sep 03 \$'000
Assets									
Current assets									
Cash and bank balances	28,414	18,884	2,861	313	2,714	2,364	28,101	16,170	497
Debtors and other current assets	86,053	91,554	78,558	77,196	80,641	75,753	8,857	10,913	2,805
Finance receivables	332,167	341,041	183,826				332,167	341,041	183,826
Inventories	184,617	134,418	144,233	184,617	134,418	144,233			
Taxation	–	2,144	–	–	2,144	–	297		
Total current assets	631,251	588,041	409,478	262,126	219,917	222,350	369,422	368,124	187,128
Non current assets									
Property plant and equipment	264,768	252,162	238,294	254,308	244,360	230,792	10,460	7,802	7,502
Investment in Fisher & Paykel Healthcare Corporation Limited	–	–	230,862	–	–	230,862			
Investment in finance group				219,318	227,122	38,963			
Other assets	3,266	4,972	4,092	2,219	3,917	3,555	1,047	1,055	537
Finance receivables	220,836	224,578	69,107				220,836	224,578	69,107
Intangible assets	153,056	157,066	–				153,056	157,066	–
Deferred taxation	20,051	18,909	17,526	16,359	17,256	16,231	3,692	1,653	1,295
Total non current assets	661,977	657,687	559,881	492,204	492,655	520,403	389,091	392,154	78,441
Total assets	1,293,228	1,245,728	969,359	754,330	712,572	742,753	758,513	760,278	265,569
Liabilities									
Current liabilities									
Bank overdrafts	11,272	13,017	9,370	11,272	13,017	9,370			
Trade creditors	53,158	52,252	44,154	53,158	52,252	44,154			
Provisions	36,432	35,714	22,211	23,570	25,389	20,048	12,862	10,325	2,163
Finance borrowings	436,803	455,762	172,582	–	–	–	436,803	455,762	172,582
Term borrowings	496	–	10,000	496	–	10,000			
Taxation	611	702	3,883	908	412	3,883	–	290	–
Other liabilities	51,003	42,866	36,856	35,328	30,505	28,965	15,675	12,361	7,891
Total current liabilities	589,775	600,313	299,056	124,732	121,575	116,420	465,340	478,738	182,636
Term liabilities									
Term borrowings	51,496	16,743	23,959	51,496	16,743	23,959			
Finance borrowings	73,855	54,418	43,970	–	–	–	73,855	54,418	43,970
Provisions	14,371	14,079	14,431	14,371	14,079	14,431			
Total term liabilities	139,722	85,240	82,360	65,867	30,822	38,390	73,855	54,418	43,970
Total Liabilities	729,497	685,553	381,416	190,599	152,397	154,810	539,195	533,156	226,606
Shareholders' equity									
Shareholders' equity	563,731	560,175	587,943	563,731	560,175	587,943			
Investment in finance group							219,318	227,122	38,963
Total shareholders' equity	563,731	560,175	587,943	563,731	560,175	587,943			
Total liabilities and shareholders' equity	1,293,228	1,245,728	969,359	754,330	712,572	742,753	758,513	760,278	265,569

Statement of Cash Flows (Unaudited)

	Consolidated		
	6 months 30 Sep 04 \$'000	6 months 30 Sep 03 \$'000	Year to 31 Mar 04 \$'000
Cash flows from (used in) operating activities			
Receipts from customers	410,014	409,705	854,050
Financing interest and fee receipts	61,290	24,484	69,199
Dividends received	–	5,402	10,184
Interest received	271	140	564
Payments to suppliers and employees	(411,372)	(364,353)	(734,412)
Taxation paid	(11,901)	(9,502)	(31,078)
Interest paid	(17,439)	(8,429)	(28,065)
Net cash flow from operations	30,863	57,447	140,452
Cash flows from (used in) investing activities			
Sale of fixed assets	1,653	21	214
Principal on loans repaid by customers	336,331	134,148	442,082
Purchase of fixed assets	(33,791)	(17,018)	(44,703)
New loans to customers	(328,827)	(136,983)	(468,754)
Acquisition of Finance Company	–	–	(189,442)
Sale of shares in Fisher & Paykel Healthcare	–	–	230,862
Net cash flow from (used in) investing activities	(24,634)	(19,832)	(29,741)
Cash flows from (used in) financing activities			
Employee Share Purchase Scheme	732	320	(1,917)
New term borrowings	41,549	10,000	4,525
New finance borrowings	47,505	18,091	49,532
Repayment of term borrowings	(6,028)	(20,747)	(31,861)
Repayment of finance borrowings	(47,414)	(20,677)	(36,902)
Issue of share capital	674	–	4,257
Dividends paid	(30,110)	(26,002)	(103,969)
Supplementary dividends paid to overseas shareholders	(1,850)	(1,430)	(6,612)
Net cash flows from (used in) financing activities	5,058	(40,445)	(122,947)
Net increase (decrease) in cash	11,287	(2,830)	(12,236)
Opening cash	5,867	(4,013)	(4,013)
Cash obtained from acquisition of Finance Company	–	–	21,457
Effect of foreign exchange rates	(12)	334	659
Closing cash	17,142	(6,509)	5,867
Reconciliation of closing cash			
Bank	28,414	2,861	18,884
Bank overdrafts	(11,272)	(9,370)	(13,017)
Call borrowings	–	–	–
	17,142	(6,509)	5,867

Statement of Cash Flows (Unaudited) Con't

	Consolidated		
	6 months 30 Sep 04 \$'000	6 months 30 Sep 03 \$'000	Year to 31 Mar 04 \$'000
Reconciliation of profit to cash flows from operating activities			
Profit after taxation	34,524	34,928	85,306
Add/(deduct) non-cash items			
Depreciation and writedown of fixed assets to recoverable amount	14,601	13,642	28,044
Accrued Finance Group interest expense	659	341	(77)
Accrued interest income	–	–	(45)
Movement in provisions	3,588	1,132	10,103
Movement in deferred tax/future tax benefit	(1,142)	2,057	(842)
Movement in working capital			
Payables and accruals	12,523	120	8,617
Debtors	4,349	6,170	(3,740)
Finance Receivables	2,056	2,462	33
Inventory	(50,199)	(5,251)	4,564
Provision for taxation	2,053	1,253	911
Amortisation of intangible assets	4,010	–	3,342
Supplementary dividend paid	1,850	1,430	6,612
Foreign currency exchange translation	1,991	(837)	(2,376)
Net cash flow from operations	30,863	57,447	140,452

Statement of Movements in Equity (Unaudited)

	Consolidated		
	6 months 30 Sep 04 \$'000	Year 31 Mar 04 \$'000	6 months 30 Sep 03 \$'000
Shareholders' equity at the beginning of the period	560,175	575,780	575,780
Issue of share capital	707	4,257	2,907
	707	4,257	2,907
Profit after taxation	34,524	85,306	34,928
Dividends	(30,110)	(103,969)	(26,002)
Movement in currency translation reserve	(1,565)	(1,199)	330
Shareholders' equity at the end of the period	563,731	560,175	587,943

Segments (Unaudited)

	Appliances \$000	Finance \$000	Investments \$000	Consolidated Operations \$000
For the six months ended 30 September 2004				
Operating revenue	408,793	60,625	–	469,418
Operating Profit before interest and taxation	39,129	15,582	–	54,711
Depreciation	(13,773)	(828)	–	(14,601)
Capital expenditure	30,305	3,486	–	33,791
Total Assets	534,715	758,513	–	1,293,228

	Appliances \$000	Finance \$000	Investments \$000	Consolidated Operations \$000
For the six months ended 30 September 2003				
Operating revenue	402,909	22,343	5,350	430,602
Operating Profit before interest and taxation	42,628	3,052	5,350	51,030
Depreciation	(12,778)	(864)	–	(13,642)
Capital expenditure	16,359	659	–	17,018
Total Assets	472,928	265,569	230,862	969,359

	Appliances \$000	Finance \$000	Investments \$000	Consolidated Operations \$000
For the year ended 31 March 2004				
Operating revenue	853,311	75,243	10,106	938,660
Operating Profit before interest and taxation	102,109	17,690	10,106	129,905
Depreciation	(26,474)	(1,570)	–	(28,044)
Capital expenditure	43,272	1,431	–	44,703
Total Assets	485,450	760,278	–	1,245,728

Financial Statements

The interim condensed consolidated financial statements of Fisher & Paykel Appliances Holdings Limited ("the Company") have been prepared in accordance with Financial Reporting Standard No. 24: Interim Financial Statements, issued by the Institute of Chartered Accountants of New Zealand. These financial statements should be read in conjunction with the financial statements and related notes included in the Company's Annual Report for the year ended 31 March 2004.

The financial statements for the six months ended 30 September 2004 and 30 September 2003 are unaudited. The financial information for the year ended 31 March 2004 has been extracted from the audited financial statements of the Company for that year.

Accounting Policies

The accounting policies used in the preparation of the financial statements for the six months ended 30 September 2004 and 30 September 2003 are consistent with those used in the preparation of the financial statements for the year ended 31 March 2004.

Subsequent Events

On 11 November 2004 the Directors approved an interim dividend of 9 cents per share for the six months ended 30 September 2004, carrying a full imputation credit. The dividend will be paid on 8 December 2004.

On 8 October 2004, the Company acquired all the shares in Dynamic Cooking Systems, Inc (DCS), a leading US manufacturer and distributor of premium cooking appliances. The total consideration paid for DCS was US\$33 million, which was funded by debt. In addition, it is anticipated that a further US\$9.7 million in new manufacturing plant and equipment and US\$12 million in working capital will be invested through to December 2005. An estimate of the financial effect of the acquisition has been summarised below:

	US\$ Million
Total Assets	
Current Assets	28.6
Plant, Property and Equipment	3.8
Other Assets	1.5
	33.9
Total Liabilities	
Current Liabilities	(21.7)
Net Assets Acquired	12.2
Goodwill / Intangibles on Acquisition	20.8
Consideration Paid	33.0

As a result of changes in product distribution and initial costs associated with integrating DCS with the Company's operations in the US, it is expected that the Company's net profit after tax for the year ending 31 March 2005 will be reduced by approximately US\$1.3 million. However, the acquisition is expected to contribute US\$3.3 million to profit after tax in the calendar year ending 31 December 2005. This corresponds to a total profit before interest and tax of US\$7.7 million.



Accountants' Report

To the shareholders of Fisher & Paykel Appliances Holdings Limited

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We have reviewed the interim consolidated financial statements. The interim consolidated financial statements provide information about the past consolidated financial performance and consolidated cash flows of the Group for the period ended 30 September 2004 and its consolidated financial position as at that date. This information is stated in accordance with the accounting policies set out on pages 42 to 45 of the most recent Annual Report.

Directors' responsibilities

The Company's Directors are responsible for the preparation and presentation of the interim financial statements that present fairly the consolidated financial position of the Group as at 30 September 2004 and its consolidated financial performance and consolidated cash flows for the period ended on that date.

Accountants' responsibilities

We are responsible for reviewing the interim consolidated financial statements presented by Management and the Directors in order to report 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 interim consolidated financial statements do not present fairly the matters to which they relate.

Basis of opinion

A review is limited primarily to enquiries of Group 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 interim financial statements and, accordingly, we do not express an audit opinion.

We have reviewed the interim financial statements of the Group for the period ended 30 September 2004 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 general advisory services.

Review opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements do not present fairly the consolidated financial position of the Group as at 30 September 2004 and its consolidated financial performance and consolidated cash flows for the period ended on that date.

Our review was completed on 11 November 2004 and our review opinion is expressed as at that date.

A handwritten signature in dark ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

