Fisher & Paykel Appliances Holdings Ltd

Analysts and Investment Fund Managers

May 2007

This Full Year Result presentation, dated 24 May 2007, provides additional comment on the media release of the same date.

As such, it should be read in conjunction with and subject to the explanations and views of future outlook on market conditions, earnings and activities, given in that release.

Highlights

- **Record total Appliances sales**
  - Revenue $1.29 Billion
- **Purchase of Elba S.p.A**
- **Opening of China Procurement Office**
- **New Product Releases**
  - Aqua Smart®, Ice & Water, French Door
- **JFE – 35 year association**
- **Finance Group Securitisation Programme**

Summary of Results

	Year to March 2007 ($ million)	Year to March 2006 ($ million)	% YOY Change
Revenue	1,412.0	1,209.1	16.8
Operating Profit Before Taxation	114.5	109.8	4.2
Group Profit after Taxation	61.2	63.9	(4.3)
Earnings (Cents per Share)	22.0	24.2	(9.1)
Dividends (Cents per Share)	18.0	18.0	-

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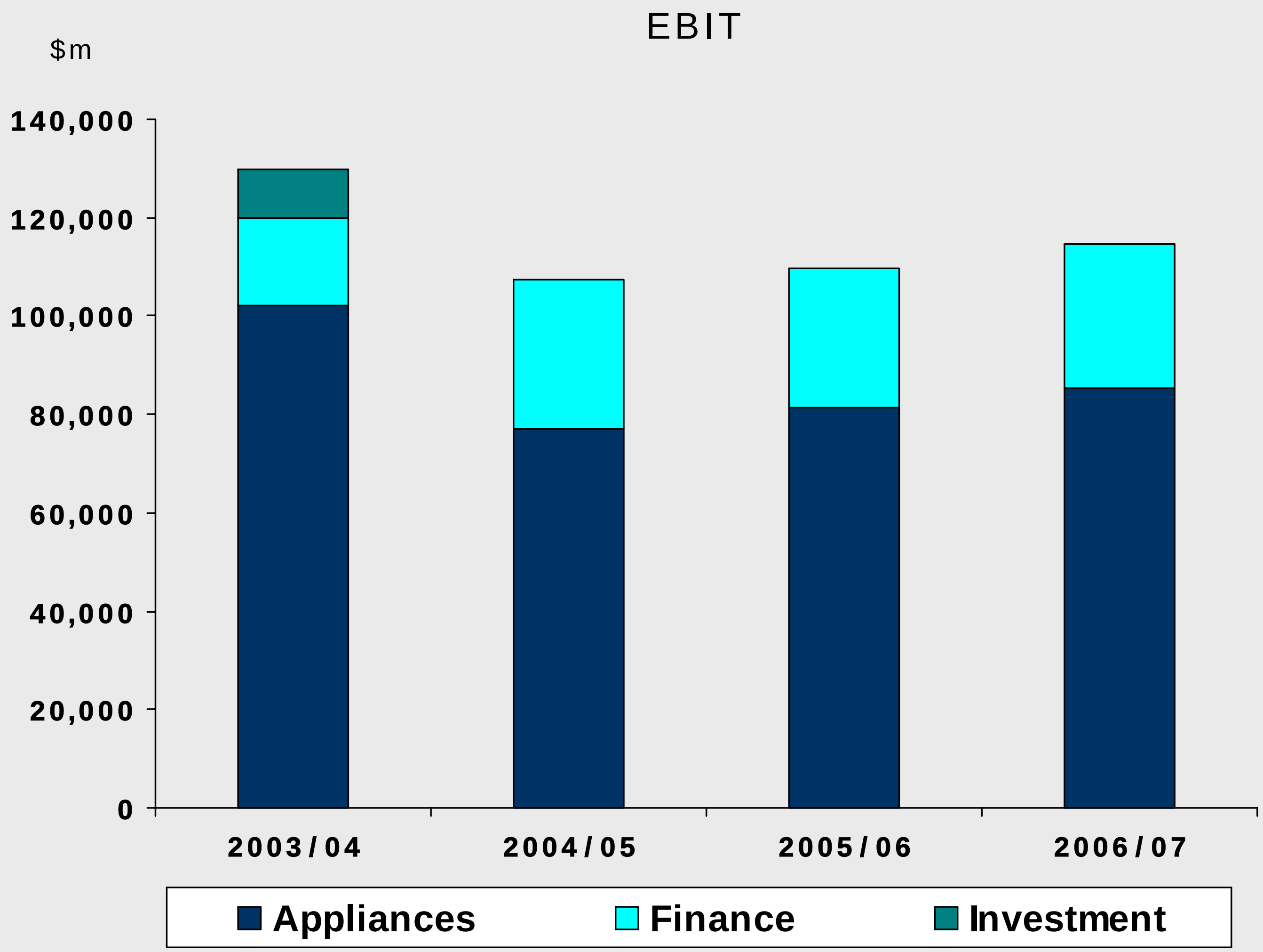
Segmented Results

Earnings Before Interest and Tax (EBIT)

	Year to March 2007 ($ million)	Year to March 2006 ($ million)	% YOY Change
Appliances	**85.3**	**81.4**	**4.7**
Finance	**29.2**	**28.4**	**2.9**
TOTAL	**114.5**	**109.8**	**4.2**

Segmented Results



Cash Flow

	Year to March 2007 ($ million)	Year to March 2006 ($ million)
Net Cash Flow from Operations	86.8	106.3
Total Debt (Net of Cash at Bank) (excluding Finance Group Operating Borrowings and Bank Balances)	270.2	208.5
Debt : Debt + Equity	28.4%	25.7%

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Dividend

Final dividend 9 cents per share.

- Partial imputation credit for New Zealand tax residents (equivalent to 26.5 cents in the dollar).
- 1.164 cents supplementary dividend for qualifying non-residents.

	Cents Per Share		
	2006/07	2005/06	2004/05
Interim	9.0	9.0	9.0
Final	9.0	9.0	9.0
Total Dividend	18.0	18.0	18.0
Earnings Per Share	22.0	24.2	26.1

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appliances

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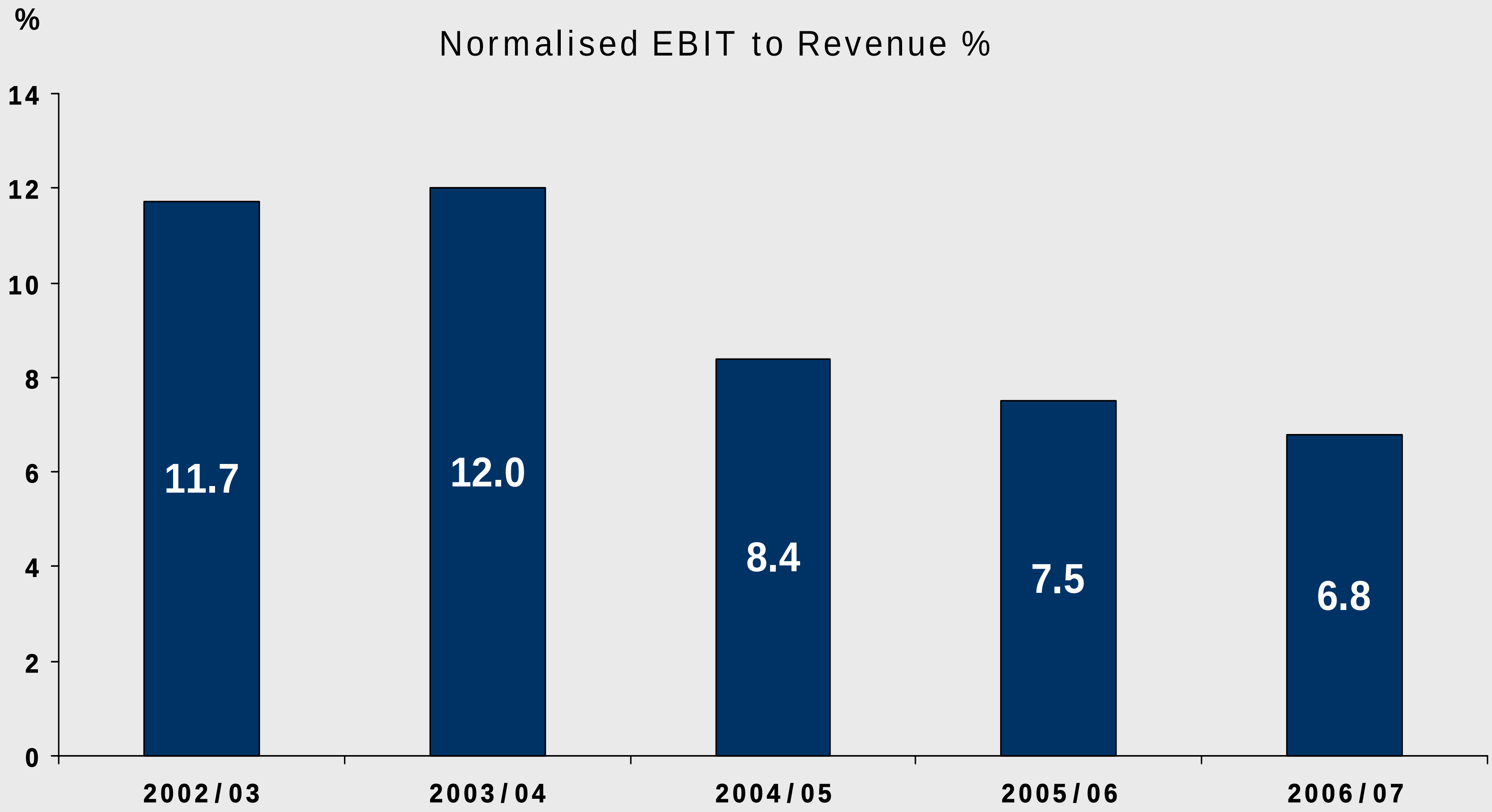
Appliances Results

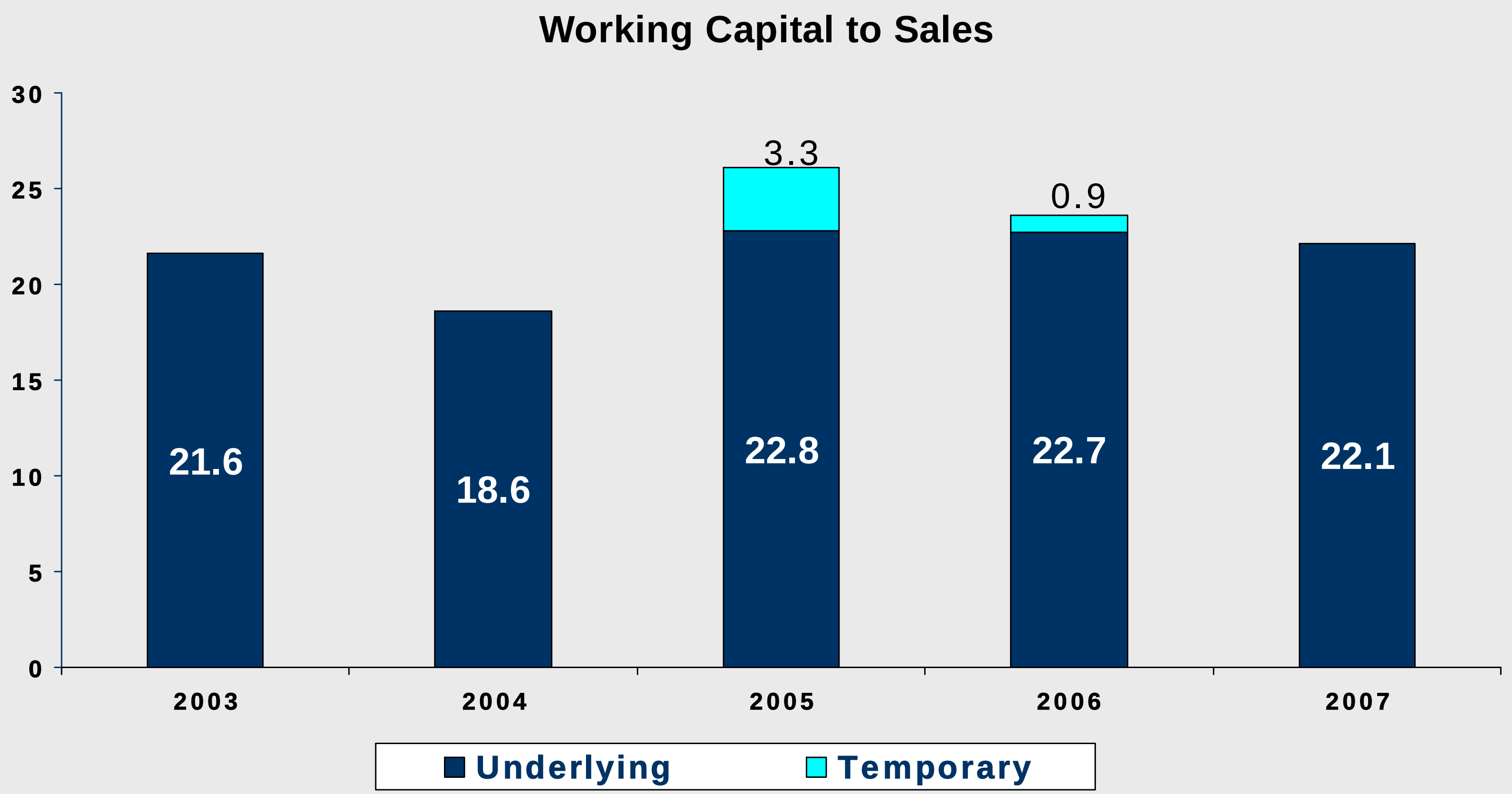
	Year to March 2007 ($ million)	Year to March 2006 ($ million)	Change % YOY
Total Revenue	1293.8	1082.7	19.5
Normalised EBIT	87.4	81.3	7.6
− Restructuring Costs	(5.9)	(1.0)	(490.0)
− Retravision (NSW) Ltd Bad Debt	(3.3)	-	-
− Profit on Sale of Surplus Land	7.1	1.2	-
Reported EBIT	85.3	81.4	4.8
Normalised EBIT to Revenue Margin	6.8%	7.5%	
Assets Employed	1,018.5	778.7	30.8
Normalised Return on Assets ✶	8.6%	10.4%	

✶ Fisher & Paykel Appliances Italy's earnings extrapolated for 12 months.

EBIT


%
Normalised EBIT to Revenue %
14
12
10
8
6
4
2
0
11.7
12.0
8.4
7.5
6.8
2002/03
2003/04
2004/05
2005/06
2006/07

Working Capital



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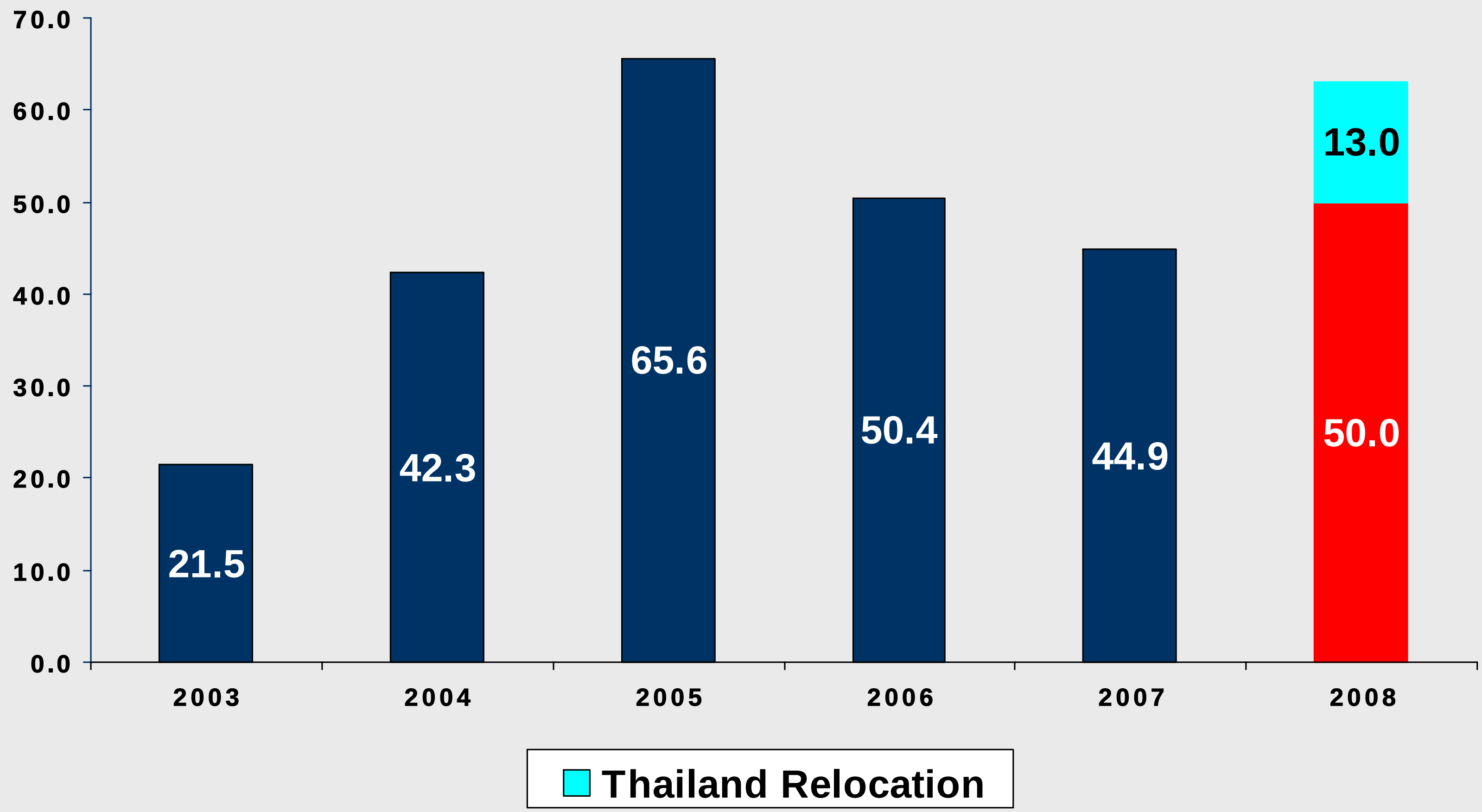
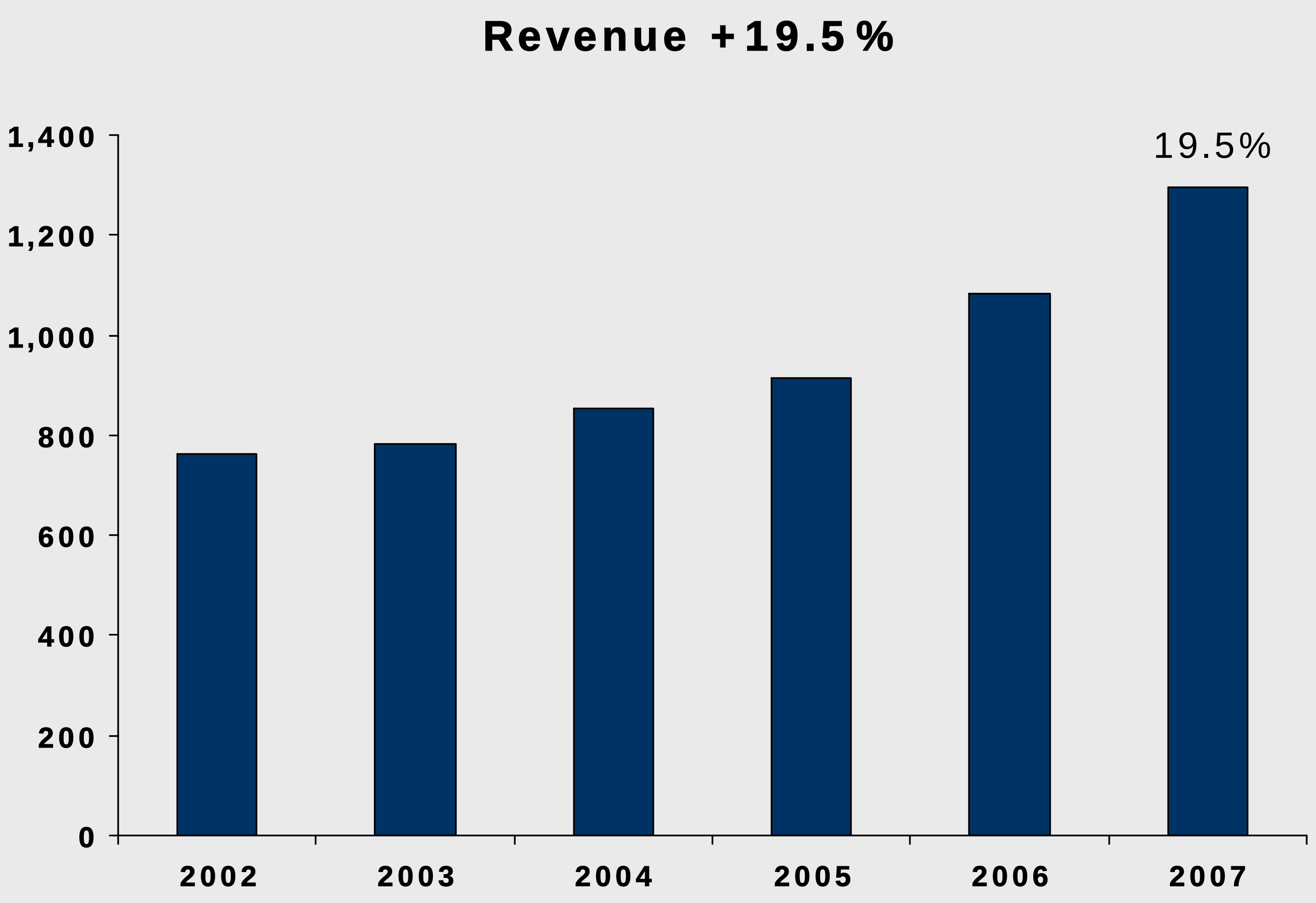
Capital Expenditure



Market Performance



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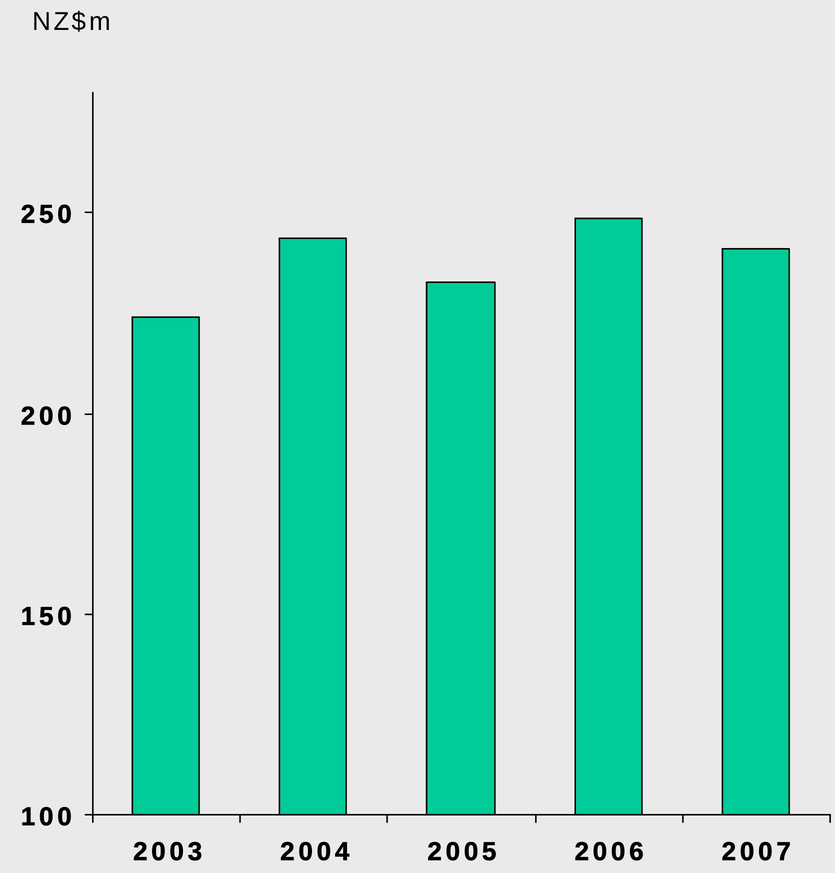
Market Update

NEW ZEALAND

- Revenue down 3.0% – declining market
- Intense competition
- Market share retained
- Settled distribution



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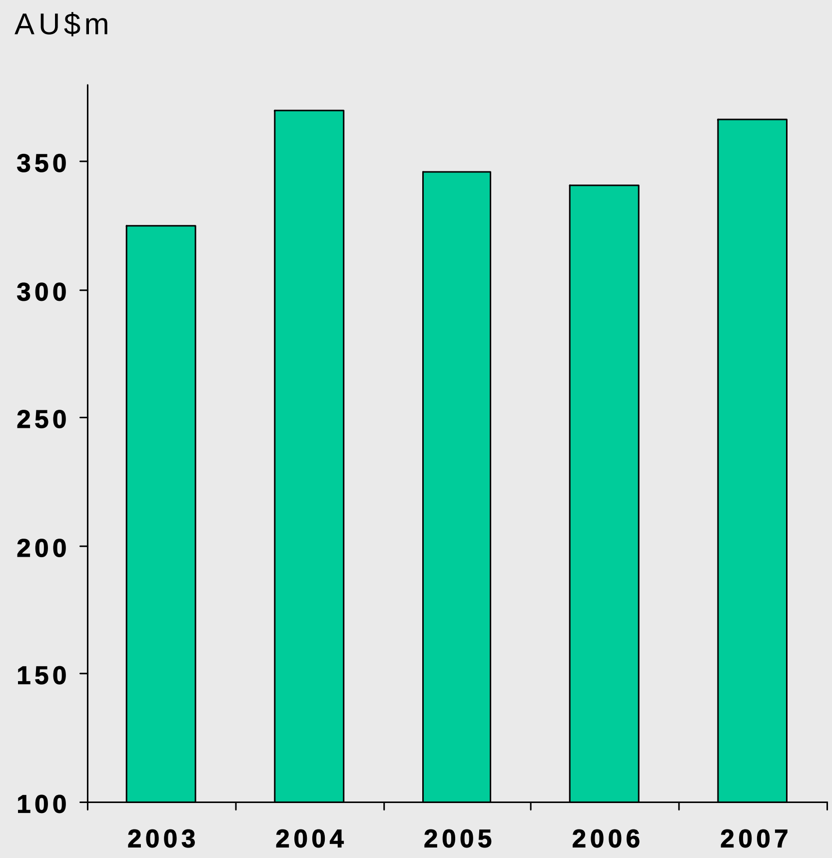
Market Update

AUSTRALIA

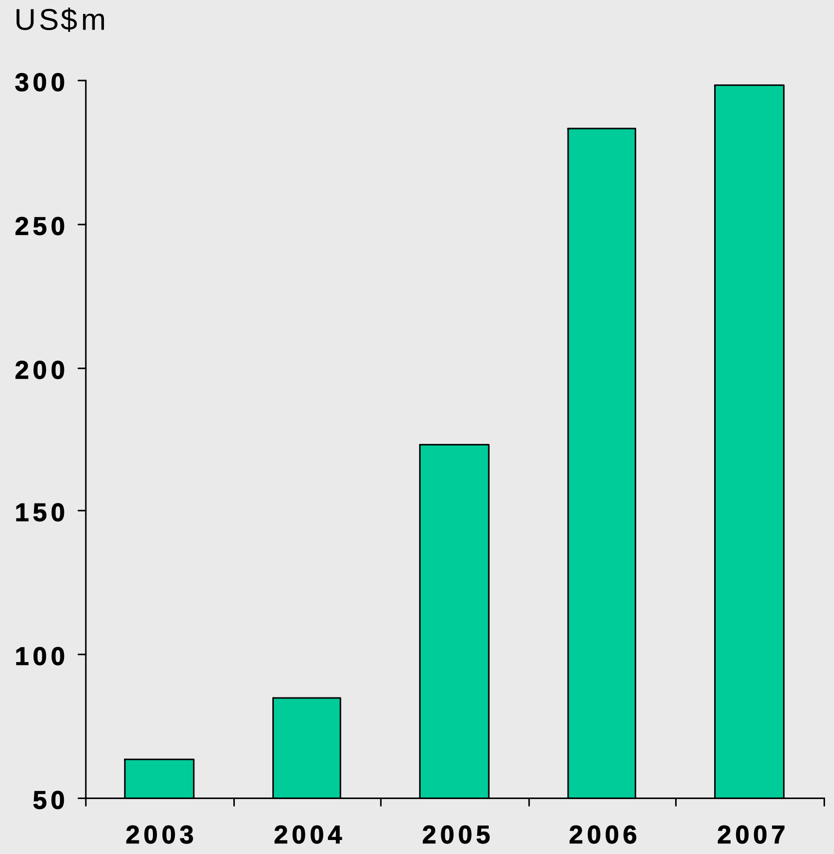
- Flat market conditions
- Revenue up 7.5% - market share gain
- New product releases 4th quarter
- Aqua Smart® success
  - Biggest selling model in 4 months
  - New model range
- Refrigeration release
  - Ice & Water
  - French Door
- Retravision (NSW) receivership



Market Update

USA

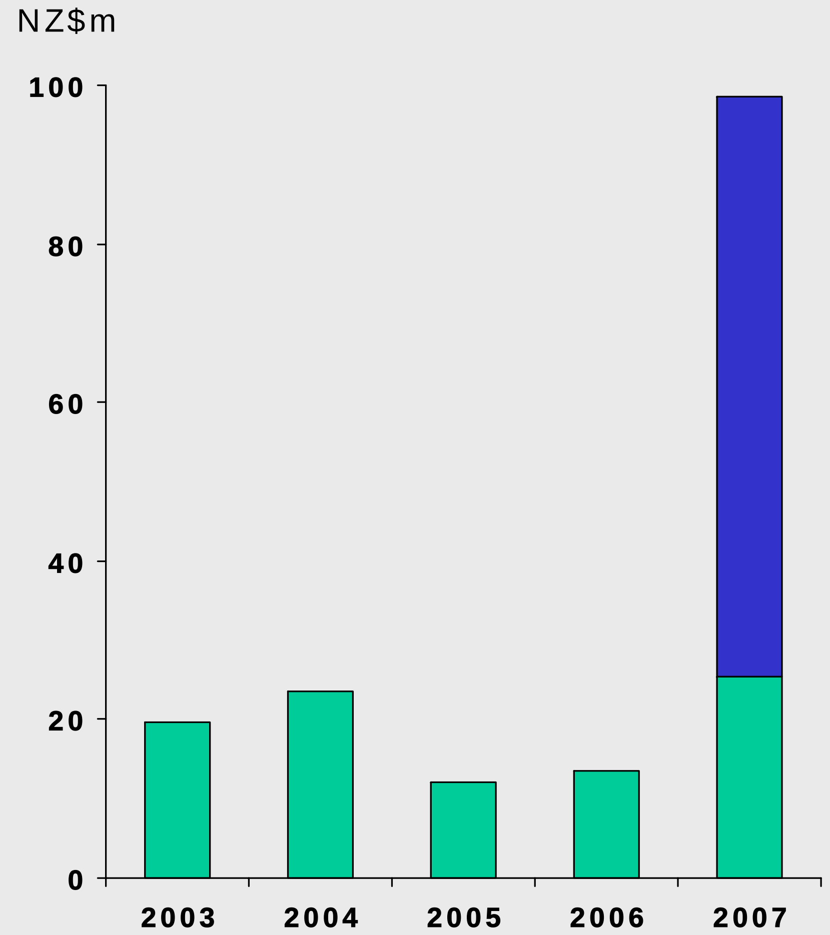
- Depressed market – up to 11% down
- Record revenue – $298m up 5.2%
- Canadian prospects
- Increased distribution
- New product suite for 2007/08 (KBIS)
  - Aqua Smart® and Dryer
  - Ice & Water
  - French Door
  - Luna
  - Liberty
  - DCS refresh (indoor)
  - Italian freestanders



Market Update

EUROPE / UNITED KINGDOM

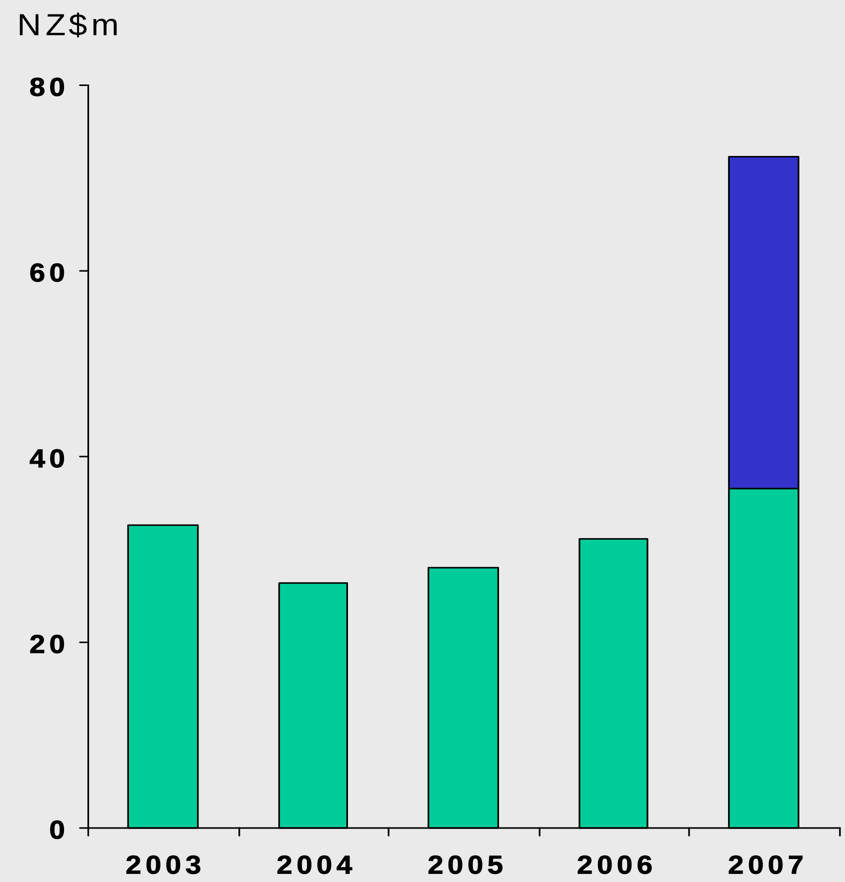
- Elba Acquisition
- Sales Revenue + 626% (87.1% ex Elba)
- Centralised European Office in Italy
- UK Sales & Dist Facility – Milton Keynes
- Fisher & Paykel brand – new distribution



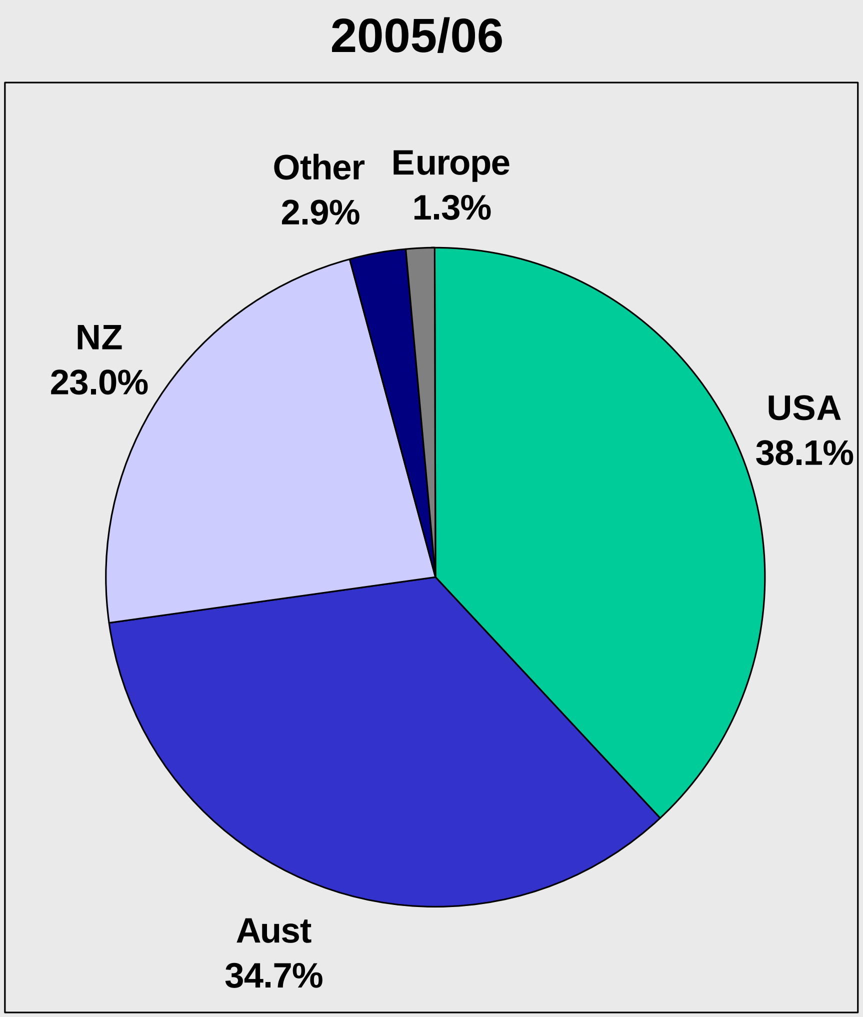
Market Update

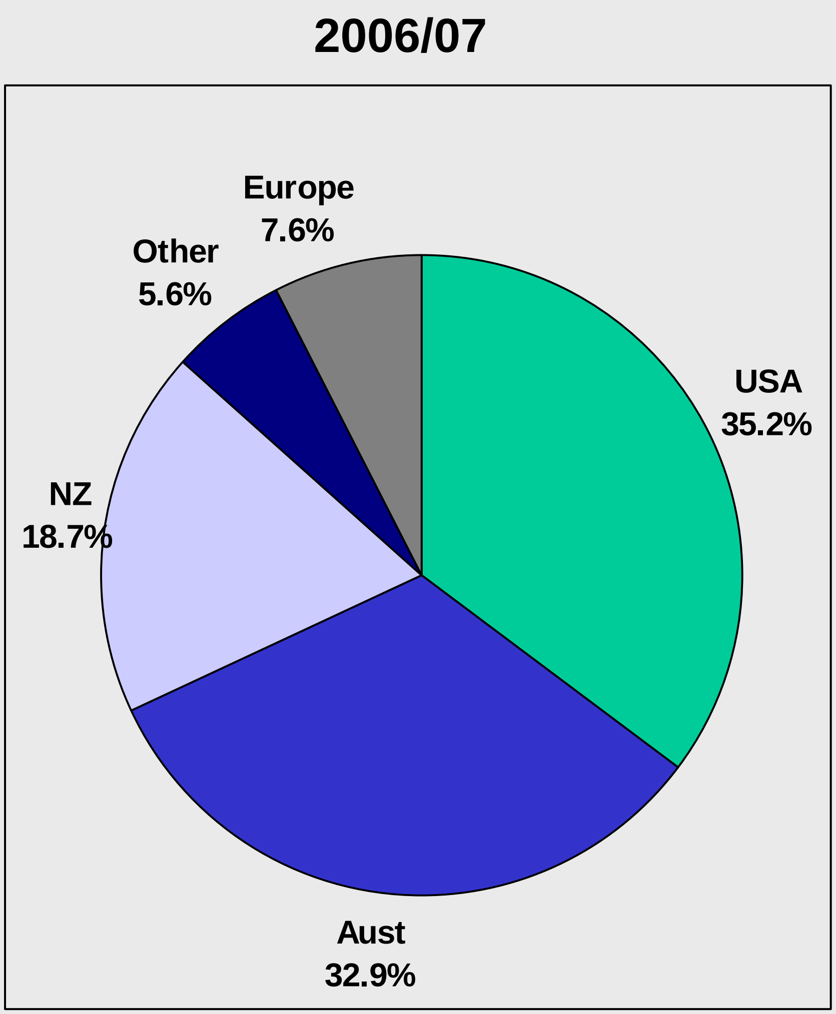
REST OF WORLD

- Revenue up 132% (17.4% ex Elba)
- High NZ Dollar difficult
- Singapore Growth continuing
- Middle East prospects
- Elba manufacturing opens further prospects



Revenue Mix


2005/06
Other 2.9%
Europe 1.3%
NZ 23.0%
USA 38.1%
Aust 34.7%


2006/07
Europe 7.6%
Other 5.6%
USA 35.2%
NZ 18.7%
Aust 32.9%

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Relocation to Thailand

- Laundry Products Factory at East Tamaki, Auckland to be relocated to Rayong Province, Thailand
- New Zealand production to cease December 2007
- Commence Production in Thailand March 2008
- Benefits $10 to $15 million before tax per annum
- Local procurement opportunities – materials, freight
- One-off costs $20 to $25 million before tax
  - New Zealand staff redundancy – 350 jobs
  - New Zealand exit tax on transfer of machinery
  - Decommissioning, packing, freight and recommissioning costs
- Capex - $13 million

AquaSmart

- Released NZ November 2006
- Released Australia November 2006
  - # 1 selling model in 4 months
- Release USA June 2007
  - Positive reaction KBIS
  - Attracts US water rebate
  - Matching dryer AeroSmart
- New Model Releases NZ/Aust
  - 600mm September
  - LED June
  - USA September

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Refrigeration

Ice & Water

- NZ/Australia – high end (margin)
- USA launch – June
- UK/Europe launched - March
- Asia launch – April

French Door

- NZ/Australia – release February
- USA launch – October
- UK/Europe launched – September
- Asia launch – July

French Door Model

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Project Luna

- Release Dates
  - NZ, Australia, USA, Europe second half 2007/08
- Star of Show
  - KBIS
  - Designex
  - Melbourne Home Show
- Approvals
- Innovation Statement

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Elba manufactured

- UK/Ireland – June 2007
- ROW – June 2007
- US/Canada – June 2007
- Australia/NZ – July 2007

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Finance

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Finance Results

	Year to March 2007 ($ million)	Year to March 2006 ($ million)	Change % YOY
Revenue	**118.2**	126.5	(6.5)
Normalised EBIT	**29.8**	25.8	15.5
– **Restructuring Costs**	**(0.6)**		
– **Profit on Sale of Land & Buildings**		2.6	
Reported EBIT	**29.2**	28.4	2.9
Receivables	**537.0**	571.7	(6.1)

Key Factors

- Growth in revolving credit
- Integration cost synergies realised
- Higher funding costs
- Intense industry competition
- Declining margins
- Farmers retail strategy
- Improved credit quality

Finance Group Earnings Detail

	Year to March 2007 ($ million)	Year to March 2006 ($ million)	Change % YOY
Interest Expense	**37.7**	37.9	0.5
Bad Debt Expense	**7.1**	8.4	15.2
Depreciation	**1.9**	2.0	6.7
EBITDA	**37.2**	**36.4**	**2.3**
Amortisation	**8.0**	8.0	
EBIT	**29.2**	**28.4**	**2.9**

Finance Group Key Ratios

	Year to March 2007	Year to March 2006
EBIT ($ million)	**29.2**	28.4
Cost to Income Ratio %	**41%**	44%
Bad Debt Expense Ratio %	**1.3%**	1.4%
Margin %	**9.1%**	9.5%
Return on Equity %	**15.1%**	14.0%

Highlights

- **Significant growth in Q Card Year on Year**
  - Receivables up 14%
  - 2,500 retailers – up 150%
  - 174,000 cardholders – up 24%
- **Second half growth**
- **Farmers Finance – yield improvement**
- **Cost of funds rate increases $2 million**
- **Cost to Income Ratio 41% (44%)**
- **Bad debt expense lower – down 15%**

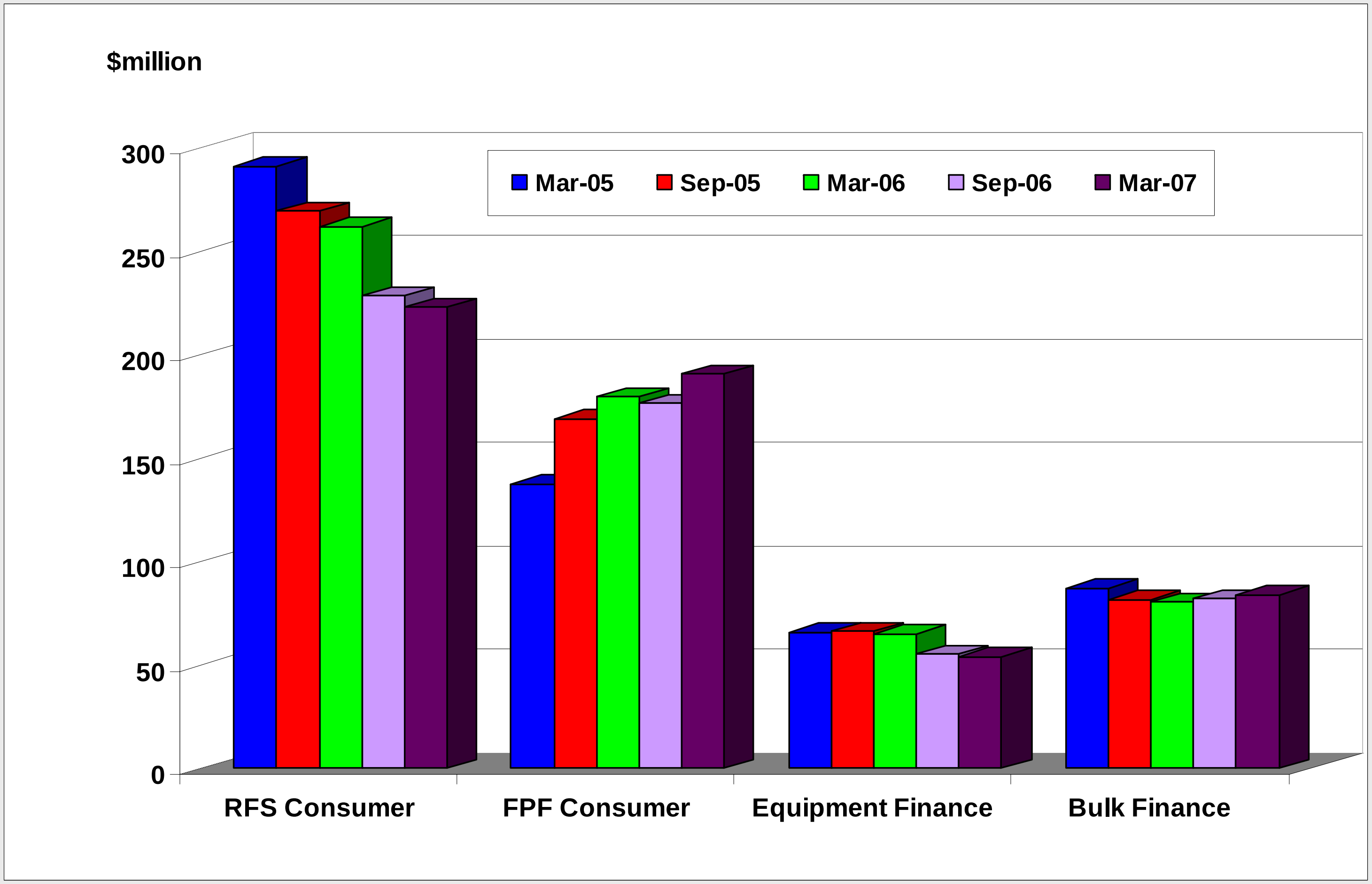
Highlights continued

- **Bad debt provisioning ratio 3.1% (3.0%)**
- **Strong dividend cash flow of $9.3m ($9.1m) to F&P Appliances Holdings**
- **Solid funding support base continues**
  - Retail bank debentures
  - Banks
  - Securitisation
- **A1+ Standard & Poors Rating maintained for Securitisation**

Balance Sheet Receivables

	Year to March 2007 ($ million)	Year to March 2006 ($ million)
RFS Consumer	**222.9**	261.7
FPF Consumer	**190.9**	180.1
Equipment Finance	**53.8**	64.7
Bulk Funding	**83.7**	80.2
	551.3	586.7
Less Provisions	**(14.3)**	(15.0)
Net Receivables	**537.0**	571.7
Provisioning Ratio	**3.1%**	3.0%

Receivables Balance



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Balance Sheet Funding

	Year to March 2007 ($ million)	Year to March 2006 ($ million)
Retail Debentures	180.0	173.3
Bank Borrowing	104.7	122.5
Securitisation	203.0	242.7
Total	487.7	538.5

Business Strategy Ongoing

- Growth in Q and Farmers Cards Business
  - Card product enhancement
  - Broadening retail distribution
- Credit Quality and Account Management
  - Redeveloping credit origination processes
  - Improving effectiveness of Collections & Recoveries
- Debt Management
  - Interest rate changes
  - Funding and Liquidity
- Acquisitions

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Outlook

Appliances

- Continued top Line Growth
- US expanded line up
- US increased distribution
- US increased media spend
- Australia Aqua Smart® increase model releases
- NZ market decline, market share held
- European Growth
- Laundry Relocation to Thailand
- China Procurement Office Progress

Outlook

Finance

- Intense market conditions
- Continued growth of Q card and Farmers card
- Credit management key focus

Group

- Net exposure against $A is 52% at $0.838
- Capex $50m + $13m (Thailand) = $63m
- One-off costs $20-$25m, benefits $10-$15m (2008/09)
- Raw material pricing uncertain
- Interest rates remains uncertain

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