

# **FISHER & PAYKEL APPLIANCES HOLDINGS LIMITED**

## **HALF YEAR INFORMATION**

Six months to 30 September 2004

### **CONTENTS**

Results Commentary

Summary of NZX Appendix 1

NZX Appendix 1 (Preliminary half year report announcement)

NZX Appendix 7 (Dividend)

Consolidated Financial Statements

Accountants Review Report

Additional Information

- ASX Appendix 4D (Half yearly report)
- Directors' Declaration
- Directors' Details

# **Fisher & Paykel Appliances Holdings Limited**

---

STOCK EXCHANGE RELEASE: ASX/NZX RELEASE 11 NOVEMBER 2004

## **Fisher & Paykel Appliances Holdings Limited 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 March 2004 NZ\$000
Operating Profit Before Interest and Taxation			
<ul style="list-style-type: none"> <li>▪ Appliances</li> <li>▪ Finance</li> </ul>	39,129 15,582	42,628 3,052	102,109 17,690
<ul style="list-style-type: none"> <li>▪ Healthcare Dividend</li> </ul>	54,711 -	45,680 5,350	119,799 10,106
Interest	54,711 (2,056)	51,030 (1,661)	129,905 (7,382)
Profit before Taxation	52,655	49,369	122,523
Taxation	(18,131)	(14,441)	(37,217)
<b>Profit after Taxation</b>	<b>34,524</b>	<b>34,928</b>	<b>85,306</b>

## 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 March 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
<b>Total Operating Revenue</b>	<b>469,418</b>	<b>430,602</b>	<b>938,660</b>

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 March 2004 NZ\$000
Total Appliance 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:

	<b>6 Months 30 Sep 04 Units</b>	<b>6 Months 30 Sep 03 Units</b>	<b>Increase (Decrease) %</b>
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
<b>Total</b>	<b>587,500</b>	<b>571,000</b>	<b>2.9</b>

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

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's	Unaudited 6 months 30 Sep 2003 NZ\$000's	Year 31 March 2004 NZ\$000's
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

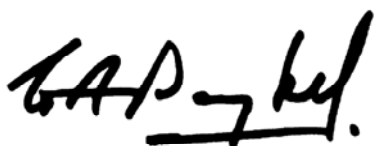
The New Zealand and Australian markets continue to show signs of slowing. We expect this to continue over the remainder of the fiscal period. In the USA, the addition of the DCS product range is expected to stimulate further interest in Fisher & Paykel and its brand. This should provide additional impetus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

SUMMARY OF  
PRELIMINARY \*HALF YEAR/FULL YEAR REPORT ANNOUNCEMENT  
FOR DUAL NZSE/ASX LISTED ISSUERS

Name of Listed

Issuer: FISHER & PAYKEL APPLIANCES HOLDINGS LIMITED

For \*Half Year

Ended: 30 SEPTEMBER 2004

This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates and is based on unaudited accounts. If the report is based on audited accounts, any qualification made by the auditor is to be attached.

Consolidated Operating Statement			
	Current *Half Year  NZ\$'000	* Up/(Down) %	Previous Corresponding *Half Year  NZ\$'000
Total operating revenue	469,418	9.0%	430,602
Operating Surplus (Deficit) before unusual items and tax	52,655	6.7%	49,369
Unusual items for separate disclosure	-		-
Operating *Surplus (Deficit) before tax	52,655	6.7%	49,369
Less tax on operating profit	18,131		14,441
Operating *Surplus (Deficit) after tax but before minority interests	34,524	-1.2%	34,928
Less minority interests	-		-
Equity earnings	-		-
Operating *Surplus (Deficit) after tax attributable to members of Listed Issuer	34,524	-1.2%	34,928
Extraordinary items after tax attributable to Members of the Listed Issuer	-		-
Operating Surplus (Deficit) and extraordinary items after tax attributable to Members of the Listed Issuer	34,524	-1.2%	34,928
Earnings per share	13 cps		* 13 cps
Interim Dividend	* 9cps		* 8.8cps
Date Payable	8-Dec-04		
Imputation tax credit on latest dividend	49.25373%		

Short details of any bonus or rights issue or other item(s) of importance not previously released to the market:

---

\* Based on shares on issue post subdivision

---



---



---

# APPENDIX I (Rule 10.4)

## PRELIMINARY HALF YEAR REPORT ANNOUNCEMENT

### FISHER & PAYKEL APPLIANCES HOLDINGS LIMITED

(Name of Listed Issuer)

For \*Half Year Ended 30 September 2004  
(referred to in this Report as the 'Current Half Year')

11/11/04

Preliminary half year report on consolidated results (including the results for the previous corresponding half year) in accordance with Listing Rule 10.4.2.

This report has been prepared in a manner which complies with generally accepted accounting practice and gives a true and fair view of the matters to which the report relates [see Note (X) attached and is based on unaudited financial statements. If the report is based on unaudited financial statements, any qualification made by the auditor is to be attached.

The Listed Issuer has a formally constituted Audit Committee of the Board of Directors.

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE			
	Current *Half Year NZ\$'000	*Up/Down %	Previous Corresponding *Half Year NZ\$'000
<b>1 CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE</b>			
<b>1.1 OPERATING REVENUE</b>			
(a) Trading Revenue	469,150	10.4%	425,034
(b) Other Revenue	268	-95.2%	5,568
(c) Total Operating Revenue	469,418	9.0%	430,602
<b>1.2 OPERATING *SURPLUS (DEFICIT) BEFORE TAXATION</b>	52,655	6.7%	49,369
(a) Less tax on Operating result	18,131	25.6%	14,441
<b>1.3 OPERATING *SURPLUS AFTER TAX</b>	34,524	-1.2%	34,928
(a) Extraordinary Items after Tax [detail in Item 3]	-		-
(b) Unrealised net change in value of investment properties	-		-
<b>1.4 NET * SURPLUS (DEFICIT) FOR THE PERIOD</b>	34,524	-1.2%	34,928
(a) Net Surplus (Deficit) attributable to members	-		-
<b>1.5 NET * SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF THE LISTED ISSUER</b>	34,524	-1.2%	34,928

CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE		
	Current *Half Year NZ\$'000	Previous Corresponding *Half Year NZ\$'000
<b>2 DETAILS OF SPECIFIC RECEIPTS/OUTLAYS, REVENUES/EXPENSES FOR FULL YEAR</b>		
<b>2.1 INCLUDED IN CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE</b>		
(a) Interest revenue included in Item 1.1(b)	268	166
(b) # Unusual items for separate disclosure (detail - item 3)	-	-
(c) Equity earnings [detail - item 16]	-	-
(d) Interest expense included in Item 1.2 (included all forms of interest, etc)	18,343	8,631
(e) Leasing and Renting expenses	4,651	4,135
(f) Depreciation	14,601	13,642
(g) Diminution in the value of assets (other than depreciation)	-	-
(h) Amortisation of Goodwill	794	-
(i) Amortisation of other intangible assets	3,216	-
(j) Impairment of goodwill	-	-
(k) Impairment of other intangible assets	-	-
<b>2.2 SUPPLEMENTARY ITEMS</b>		
(a) # Interest costs excluded from item 2.1(d) and capitalised	-	-
(b) # Outlays (other than those arising from the acquisition of an existing business) capitalised in intangibles	-	-
(c) Unrecognised differences between the carrying value and market value of publicly traded investments	-	-

# Items marked in this way need ne shown only where their inclusion as revenue or exclusion from expenses has had a material effect on reported \*surplus (deficit)

3	<b>DISCONTINUED, UNUSUAL (INCLUDING NON RECURRING), AND EXTRAORDINARY ITEMS OF THE GROUP</b> <b>DETAILS AND COMMENTS</b>	GROUP - CURRENT *HALF YEAR	
		Operating Revenue NZ\$'000	Operating Surplus NZ\$'000
		<b>Discontinued Activities</b>	
(Disclose Operating Revenue and Operating Surplus)			
<b>TOTAL DISCONTINUED ACTIVITIES</b>	-	-	
<b>Material Unusual</b> (including Non Recurring) Items (included in 1.2)			
Description			
<b>TOTAL MATERIAL NON RECURRING ITEMS</b>	-	-	
<b>Extraordinary Items</b> (Ref. Item 1.3(a))			
Description			
<b>TOTAL EXTRAORDINARY ITEMS</b>	-	-	

4	<b>STATEMENTS OF MOVEMENTS IN EQUITY</b>	STATEMENT OF MOVEMENTS IN EQUITY	
		Operating Revenue NZ\$'000	Operating Surplus NZ\$'000
<b>4.1 * NET SURPLUS (DEFICIT) ATTRIBUTABLE TO MEMBERS OF LISTED ISSUER</b>			
	34,524	34,928	
(a) *Net Surplus (Deficit attributable to minority interest)	-	-	
<b>4.2 OTHER RECOGNISED REVENUES AND EXPENSES</b>			
(a) Increases (decreases) in Revaluation Reserve	-	-	
(b) Currency Translation Differences	(1,565)	330	
(c) Minority interest in other recognised revenue and expenses			
<b>4.3 TOTAL RECOGNISED REVENUES AND EXPENSES</b>	32,959	35,258	
<b>4.4 OTHER MOVEMENTS</b>			
(a) Contributions by Owners	707	2,907	
(b) Distributions to Owners	(30,110)	(26,002)	
(c) Other	-	-	
<b>4.5 EQUITY AT BEGINNING OF HALF YEAR</b>	560,175	575,780	
<b>4.6 EQUITY AT END OF HALF YEAR</b>	563,731	587,943	

5 EARNINGS PER SECURITY Calculation of basic and fully diluted, EPS in accordance with IAS33: Earnings Per Share		EARNINGS PER SECURITY	
		Current Half Year	Previous Corresponding *Half Year
		NZ cents	NZ cents
(a) Basic EPS	13	* 13	
(b) Diluted EPS (if materially different from (a))	13	* 13	

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

6 MATERIAL ACQUISITIONS OF SUBSIDIARIES [see Note (VII) attached]		
(a) Name of subsidiary or group of subsidiaries	N.A.	N.A.
(b) Percentage of ownership acquired		
(c) Contribution to consolidated net *Surplus (Deficit) (item 1.4)	\$	
(d) Date from which such contribution has been calculated	\$	

7 MATERIAL DISPOSALS OF SUBSIDIARIES [See Note (VII) attached]		
(a) Name of subsidiary or group of subsidiaries	N.A.	N.A.
(b) Contribution of subsidiaries to consolidated net *Surplus (Deficit) (item 1.4)	\$	
(c) Date to which such contribution has been calculated		
(d) Contribution to consolidated net *Surplus (Deficit) (item 1.4) for the previous corresponding Half Year	\$	
(e) Contribution to consolidated net *surplus (deficit) (item 1.4) from sale of subsidiary	\$	

**8 REPORTS FOR INDUSTRY AND GEOGRAPHICAL SEGMENTS**

Information on the industry and geographical segments of the Listed Issuer is to be reported for the \*half year in accordance with the provisions of SSAP:23: Financial Reporting for Segments. Because of the differing nature and extent of segments among Listed Issuers, no complete proforma is provided, and the segment information should be completed separately and attached to this report. However, the following shows a suitable list of items for presentation and indicates which amounts should agree with items included elsewhere in the \*half year report

**SEGMENTS**

**Industry**

Operating revenue:	
Sales to customers outside the group	
Intersegment sales	
Unallocated revenue	Refer Attached
Total revenue [consolidated total equal to Item 1.1(c) above]	
Segment result	
Unallocated expenses	
Operating surplus (Deficit) after tax [Item 1.3]	
Segment assets	
Unallocated assets	
Total assets [Equal to Item 9.3]	

**Geographical**

Operating revenue:	
Sales to customers outside the group	
Intersegment sales	
Unallocated revenue	Refer Attached
Total revenue [consolidated total equal to Item 1.1(c) above]	
Segment result	
Unallocated expenses	
Operating surplus (Deficit) after tax [Item 1.3]	
Segment assets	
Unallocated assets	
Total assets [Equal to Item 9.3]	

[Note (VIII) attached has particular relevance for the Preparation of this statement]

**CONSOLIDATED STATEMENT OF  
FINANCIAL POSITION**

**9 CURRENT ASSETS:**

- (a) Cash
- (b) Trade Receivables
- (c) Investments (Finance Receivables)
- (d) Inventories
- (e) Other assets, current

**TOTAL CURRENT ASSETS**

**9.1 NON-CURRENT ASSETS**

- (a) Finance Receivables
- (b) Investments
- (c) Inventories
- (d) Property, plant and equipment
- (e) Goodwill
- (f) Deferred Taxation Assets
- (g) Other Intangible Assets
- (h) Other assets, non current

**9.2 TOTAL NON-CURRENT ASSETS**

**9.3 TOTAL ASSETS**

**9.4 CURRENT LIABILITIES:**

- (a) Trade Creditors
- (b) Income in advance, current
- (c) Secured Loans
- (d) Unsecured Loans
- (e) Provision, current
- (f) Other Liabilities, current

**TOTAL CURRENT LIABILITIES**

**9.5 NON-CURRENT LIABILITIES**

- (a) Accounts payable, non-current
- (b) Secured Loans
- (c) Unsecured Loans
- (d) Provisions, non-current
- (e) Deferred Taxation Liability, non-current
- (f) Other Liabilities, non-current

**9.6 TOTAL NON-CURRENT LIABILITIES**

**9.7 TOTAL LIABILITIES**

**9.8 NET ASSETS**

**9.9 SHAREHOLDERS' EQUITY**

- (a) Share capital (optional)
- (b) Reserves (optional)
  - (i) Revaluation reserve
  - (ii) Other reserves
- (c) Retained \*surplus (accumulated deficit) (optional)

**9.10 SHAREHOLDERS' EQUITY ATTRIBUTABLE TO**

**MEMBERS OF THE LISTED ISSUER**

- (a) Minority equity interests in subsidiaries

**9.11 TOTAL SHAREHOLDERS' EQUITY**

- (a) Returns on Assets (%) (EBIT divided by Total Assets\_
- (b) Return on Equity (%) (Net Income divided by Shareholders Equity)
- (c) Debt to Equity Ratio (5) (Total Liabilities divided by Shareholders Equity)

	At end of Current * Half Year NZ\$'000	As shown in last Annual Report NZ\$'000	As shown in last Half Yearly Report NZ\$'000
	28,414	18,884	2,861
	86,053	91,554	78,558
	332,167	341,041	183,826
	184,617	134,418	144,233
	-	2,144	-
	631,251	588,041	409,478
	220,836	224,578	69,107
	-	-	230,862
	-	-	-
	264,768	252,162	238,294
	30,315	31,109	-
	20,051	18,909	17,526
	122,741	125,957	-
	3,266	4,972	4,092
	661,977	657,687	559,881
	1,293,228	1,245,728	969,359
	82,642	84,456	63,803
	-	-	-
	436,803	455,762	172,582
	11,768	13,017	19,370
	36,432	35,714	22,211
	22,130	11,364	21,090
	589,775	600,313	299,056
	-	-	-
	73,855	54,418	43,970
	51,496	16,743	23,959
	14,371	14,079	14,431
	-	-	-
	-	-	-
	139,722	85,240	82,360
	729,497	685,553	381,416
	563,731	560,175	587,943
	554,317	553,610	552,260
	(7,707)	(6,142)	(4,613)
	17,121	12,707	40,296
	563,731	560,175	587,943
	563,731	560,175	587,943
	4.2%	10.4%	5.3%
	6.1%	15.2%	5.9%
	1.3	1.2	0.6

**CONSOLIDATED STATEMENT OF  
CASH FLOWS FOR THE HALF YEAR**

(See Note (IX) attached )

**10 CASH FLOWS RELATING TO OPERATING ACTIVITIES**

	Current *Half Year NZ\$'000	Previous Corresponding *Half Year NZ\$'000
(a) Receipts from Customers	410,014	409,705
(b) Interest Received	61,561	24,624
(c) Dividends Received	-	5,402
(d) Payments to Suppliers and Employees	(411,372)	(364,353)
(e) Interest Paid	(11,901)	(9,502)
(f) Income Taxes Paid	(17,439)	(8,429)
(g) Other	-	-
<b>NET OPERATING CASH FLOWS</b>	<b>30,863</b>	<b>57,447</b>

**11 CASH FLOWS RELATING TO INVESTING ACTIVITIES**

(a) Cash proceeds from sale of property, plant and equipment	1,653	21
(b) Cash proceeds from sale of equity investments	-	-
(c) Loans repaid by other entities	336,331	134,148
(d) Cash paid for purchases of property, plant and equipment	(33,791)	(17,018)
(e) Interest paid - capitalised	-	-
(f) Cash paid for purchases of equity investments	-	-
(g) Loans to other entities	(328,827)	(136,983)
(h) Other	-	-
<b>NET INVESTING CASH FLOWS</b>	<b>(24,634)</b>	<b>(19,832)</b>

[See Note (IX) attached]

**12 CASH FLOWS RELATED TO FINANCING ACTIVITIES**

(a) Cash proceeds from issues of shares, options, etc.	1,406	320
(b) Borrowings	89,054	28,091
(c) Repayment of borrowings	(53,442)	(41,424)
(d) Dividends paid	(30,110)	(26,002)
(e) Other cashflows relating to financing activities	(1,850)	(1,430)
<b>NET FINANCING CASH FLOWS</b>	<b>5,058</b>	<b>(40,445)</b>

[See Note (IX) attached]

**13 NET INCREASE (DECREASE) IN CASH HELD**

(a) Cash at beginning of *half year	11,287	(2,830)
Cash obtained from acquisition	5,867	(4,013)
(b) Exchange rate adjustments to Item 12.3(a) above	-	-
(c) <b>CASH AT END OF HALF YEAR</b>	<b>(12)</b>	<b>334</b>
	17,142	(6,509)

**14 NON-CASH FINANCING AND INVESTING ACTIVITIES**

Provide details of financing and investing transactions which have had a material effect on group assets and liabilities but did not involve cash flows.

Nil

**15 RECONCILIATION OF CASH**

For the purposes of the above Statement of Cash Flows, Cash includes

**Cash at the end of the \*half year as shown in the statement of cash flows is reconciled to the related items in the financial statements as follows**

Cash on Hand and at Bank  
Deposits at call  
Bank Overdraft  
Other (provide details eg. Term Deposits)

**Total = Cash at End of \*Half Year [Item 13(c)]**

	Current *Half Year NZ\$'000	Previous Corresponding *Half Year NZ\$'000
Cash on Hand and at Bank	28,414	2,861
Deposits at call	-	-
Bank Overdraft	(11,272)	(9,370)
Other (provide details eg. Term Deposits)	-	-
<b>Total = Cash at End of *Half Year [Item 13(c)]</b>	<b>17,142</b>	<b>(6,509)</b>

16 EQUITY ACCOUNTED ASSOCIATED COMPANIES AND OTHER MATERIAL INTERESTS

EQUITY ACCOUNTED EARNINGS FROM ASSOCIATES

Information attributable to the reporting group's share of investments in associates and other material interests to be disclosed by way of separate note below (refer FRS-38 "Accounting for Investments in Associates")

Current *Half Year NZ\$'000	Previous Corresponding *Half Year NZ\$'000
-----------------------------------	---

16.1 GROUP SHARE OF RESULTS IN ASSOCIATES

- (a) OPERATING \*SURPLUS (DEFICIT) BEFORE TAX
- (b) Less tax
- (c) OPERATING \*SURPLUS (DEFICIT) AFTER TAX
  - (i) Extraordinary items (gross)
- (d) NET \*SURPLUS (DEFICIT) AND EXTRAORDINARY ITEMS AFTER TAX

-	-
-	-
-	-
-	-
-	-

16.2 MATERIAL INTERESTS IN CORPORATIONS NOT BEING SUBSIDIARIES:

- (a) The group has a material (from group's viewpoint) interest in the following corporations:

Name	Percentage of ordinary shares held at end of half year		Contribution to net surplus (deficit) (item 1.5)	
	Current *Half Year	Previous Corresponding *Half Year	Current *Half Year NZ\$'000	Previous Corresponding *Half Year NZ\$'000
<b>Equity Accounted Associates</b>			<b>Equity Accounted in current year</b>	
<b>Other Material Interests</b>			<b>Not Equity Accounted in current year</b>	
Fisher & Paykel Healthcare Corporation Limited	Nil	19.3	-	5,350

(b) INVESTMENTS IN ASSOCIATES

Carrying value of investments in associates at the beginning of the half year  
 Share of changes in associates' post acquisition surplus/ and reserves:  
 - Retained surplus  
 - Reserves  
 Net goodwill amortisation and impairment adjustments in the period  
 Less Dividends received in the period  
**Equity carrying value of investments at the end of the half year**  
**Amount of goodwill included in the carrying value at the end of the half year**

EQUITY ACCOUNTED INVESTMENTS IN ASSOCIATES

Current *Half Year NZ\$'000	Previous Corresponding *Half Year NZ\$'000
-----------------------------------	---

Nil	Nil
Nil	Nil

**17 ISSUED AND QUOTED SECURITIES AT END OF CURRENT HALF YEAR**

Category of Securities	Issued	Number	Quoted	Number	Cents	Paid-Up Value (If not fully paid)
------------------------	--------	--------	--------	--------	-------	--------------------------------------

<b>PREFERENCE SHARES:</b>						
# (Description)						
Issued during current *half year		Nil				

<b>ORDINARY SHARES:</b>						
Ordinary Shares as at 30/9/04		261,993,546				
Issued during current half year		323,450				

<b>CONVERTIBLE NOTES</b>						
# (Description)						
Issued during current *half year		Nil				

<b>OPTIONS:</b>				Exercise Price	Expiry Date
Issued during current half year		5,940,000	Calc on base of \$4.19	30-Aug-09	
<b>DEBENTURES - Totals only:</b>					
<b>UNSECURED NOTES - Totals only:</b>					
<b>OTHER SECURITIES</b>					

# Description includes rate of dividend or interest and any redemption or conversion rights together with the prices and dates thereof.

**18 COMMENTS BY DIRECTORS**

If no report in any section, state NIL. If insufficient space below, provide details in the pages attached to this report

- (a) Material factors affecting the revenues and expenses for the current half year  
 ..... Refer Attached .....
- (b) Significant trends or events since the end of the current half year  
 ..... Refer Attached .....
- (c) Changes in accounting policies since last Annual Report  
 ..... Nil .....
- (d) Critical Accounting Policies - Management believes the following to be critical accounting policies  
 That is they are both important to the portrayal of the issuers financial condition and results as they require management to make judgements and estimates about matters they are inherently uncertain  
 Nil  
 .....
- (e) Managements discussion and analysis of financial condition, result, and/or operations (optional)  
 This section should contain forward looking statements that should outline where these involved risk and uncertainty  
 Refer Attached  
 .....
- (f) Other Comments  
 Refer Attached  
 .....

**19 DIVIDENDS**

- (a) Dividend yield as at Balance Date %  
 (Annual dividend per share divided by price per share) N.A.
- (b) Tax Adjusted Dividend Yield as at Balance Sheet %  
 (Annual net dividend per share divided by price per share) N.A.

- (a) N.A.-----
- (b) ----- Time-----
- (c) Approximate date of availability of Annual Report N.A.-----

If this half year report was approved by resolution of the Board of Directors, please indicate date of meeting: 11 November 2004

*H. O. Melara*

-----  
(signed by) Authorised Officer of Listed Issuer

11 November 2004  
(date)

# Notice of event affecting securities

New Zealand Stock Exchange Listing Rule 7.12.2. For rights, Listing Rules 7.10.9 and 7.10.10  
For change to allotment, Listing Rule 7.12.1, a separate advice is required

Number of pages including this one  
(Please provide any other relevant  
details on additional pages)

Full name of Issuer	FISHER & PAYKEL APPLIANCES HOLDINGS LIMITED		
Name of officer authorised to make this notice	M.D. RICHARDSON	Authority for event, e.g. Directors' resolution	DIRECTORS RESOLUTION
Contact phone number	(09) 273 0592	Contact fax number	(09) 273 0609
		Date	11 / 11 / 2003

<b>Nature of event</b> Tick as appropriate	Bonus Issue <input type="checkbox"/>	If ticked, state whether: Taxable <input type="checkbox"/> / Non Taxable <input type="checkbox"/>	Conversion <input type="checkbox"/>	Interest <input type="checkbox"/>	Rights Issue Renounceable <input type="checkbox"/>
	Rights Issue non-renounceable <input type="checkbox"/>	Capital change <input type="checkbox"/>	Call <input type="checkbox"/>	Dividend <input checked="" type="checkbox"/>	If ticked, state whether: Interim <input checked="" type="checkbox"/>
				Full Year <input type="checkbox"/>	Special <input checked="" type="checkbox"/>

## EXISTING securities affected by this If more than one security is affected by the event, use a separate form

Description of the class of securities	ORDINARY SHARES POST SUBDIVISION	ISIN	NZFPAE0001S2
			<small>If unknown, contact NZSE</small>

## Details of securities issued pursuant to this event If more than one class of security is to be issued, use a separate form for each class

Description of the class of securities		ISIN	
			<small>If unknown, contact NZSE</small>

Number of Securities to be issued following event		Minimum Entitlement		Ratio, e.g. ① for ②	<input type="checkbox"/>	for	<input type="checkbox"/>
---	--	---------------------	--	---------------------	--------------------------	-----	--------------------------

Conversion, Maturity, Call Payable or Exercise Date		Treatment of Fractions	
<small>Enter N/A if not applicable</small>		Tick if <i>pari passu</i>	<input type="checkbox"/>
Strike price per security for any issue in lieu or date Strike Price available.		OR	provide an explanation of the ranking

## Monies Associated with Event Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.

<i>In dollars and cents</i>		Source of Payment	Revenue Reserves
Amount per security	\$0.09000		
Currency	New Zealand Dollars	Supplementary dividend details - Listing Rule 7.12.7	Amount per security in dollars and cents
			\$0.015882
Total monies	\$23,587,549	Date Payable	8 December, 2004

## Taxation Amount per Security in Dollars and cents to six decimal places:

In the case of a taxable bonus issue state strike price	\$	Resident Withholding Tax	\$ Nil	Credits (Give details)	\$0.044328
---	----	--------------------------	--------	------------------------	------------

## Timing (Refer Appendix 8 in the Listing Rules)

<b>Record Date 5pm</b> <small>For calculation of entitlements - must be the last business day of a week</small>	26 November, 2004	<b>Application Date</b> <small>Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.</small>	8 December, 2004
<b>Notice Date</b> <small>Entitlement letters, call notices, conversion notices mailed</small>		<b>Allotment Date</b> <small>For the issue of new securities. Must be within 5 business days of record date.</small>	

### OFFICE USE ONLY

Ex Date:  
Commence Quoting Rights:  
Cease Quoting Rights 5pm:  
Commence Quoting New Securities:  
Cease Quoting Old Security 5pm:

Security Code:

Security Code:

**Interim Condensed Financial Statements**  
**Fisher & Paykel Appliances Holdings Limited**

**Revenue (Unaudited)**

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

**Interim Condensed Financial Statements**  
**Fisher & Paykel Appliances Holdings Limited**

**Result (Unaudited)**

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

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

**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
<b>Assets</b>									
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		
<b>Total current assets</b>	<b>631,251</b>	<b>588,041</b>	<b>409,478</b>	<b>262,126</b>	<b>219,917</b>	<b>222,350</b>	<b>369,422</b>	<b>368,124</b>	<b>187,128</b>
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
<b>Total non current assets</b>	<b>661,977</b>	<b>657,687</b>	<b>559,881</b>	<b>492,204</b>	<b>492,655</b>	<b>520,403</b>	<b>389,091</b>	<b>392,154</b>	<b>78,441</b>
<b>Total assets</b>	<b>1,293,228</b>	<b>1,245,728</b>	<b>969,359</b>	<b>754,330</b>	<b>712,572</b>	<b>742,753</b>	<b>758,513</b>	<b>760,278</b>	<b>265,569</b>
<b>Liabilities</b>									
Current liabilities									
Bank overdrafts	11,272	13,017	9,370	11,272	13,017	9,370			
Call borrowings	-	-	-	-	-	-			
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
<b>Total current liabilities</b>	<b>589,775</b>	<b>600,313</b>	<b>299,056</b>	<b>124,732</b>	<b>121,575</b>	<b>116,420</b>	<b>465,340</b>	<b>478,738</b>	<b>182,636</b>
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			
<b>Total term liabilities</b>	<b>139,722</b>	<b>85,240</b>	<b>82,360</b>	<b>65,867</b>	<b>30,822</b>	<b>38,390</b>	<b>73,855</b>	<b>54,418</b>	<b>43,970</b>
<b>Total Liabilities</b>	<b>729,497</b>	<b>685,553</b>	<b>381,416</b>	<b>190,599</b>	<b>152,397</b>	<b>154,810</b>	<b>539,195</b>	<b>533,156</b>	<b>226,606</b>
<b>Shareholders' equity</b>									
Shareholders' equity	563,731	560,175	587,943	563,731	560,175	587,943			
Investment in finance group							219,318	227,122	38,963
<b>Total shareholders' equity</b>	<b>563,731</b>	<b>560,175</b>	<b>587,943</b>	<b>563,731</b>	<b>560,175</b>	<b>587,943</b>			
<b>Total liabilities and shareholders' equity</b>	<b>1,293,228</b>	<b>1,245,728</b>	<b>969,359</b>	<b>754,330</b>	<b>712,572</b>	<b>742,753</b>	<b>758,513</b>	<b>760,278</b>	<b>265,569</b>

**Interim Condensed Financial Statements**  
**Fisher & Paykel Appliances Holdings Limited**

**Statement of Movements in Equity (Unaudited)**

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

**Interim Condensed Financial Statements**  
**Fisher & Paykel Appliances Holdings Limited**

**Segments (Unaudited)**

**For the six months ended 30 September 2004**

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

**For the six months ended 30 September 2003**

	Appliances	Finance	Investments	Consolidated Operations
	\$000	\$000	\$000	\$000
Operating revenue	402,909	22,343	5,350	430,602
Operating Profit before interest and taxation	42,628	3,052	5,350	51,030
<hr/>				
Depreciation	(12,778)	(864)	-	(13,642)
Capital expenditure	16,359	659	-	17,018
Total Assets	472,928	265,569	230,862	969,359

**For the year ended 31 March 2004**

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

**Interim Condensed Financial Statements**  
**Fisher & Paykel Appliances Holdings Limited**

**Statement of Cash Flows (Unaudited)**

	<b>Consolidated</b>		
	<b>6 months 30 Sep 04 \$'000</b>	<b>6 months 30 Sep 03 \$'000</b>	<b>Year to 31 Mar 04 \$'000</b>
<b>Cash flows from (used in) operating activities</b>			
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)	(28,055)
Net cash flow from operations	<u>30,863</u>	<u>57,447</u>	<u>140,452</u>
<b>Cash flows from (used in) investing activities</b>			
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	<u>(24,634)</u>	<u>(19,832)</u>	<u>(29,741)</u>
<b>Cash flows from (used in) financing activities</b>			
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	<u>5,058</u>	<u>(40,445)</u>	<u>(122,947)</u>
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	<u>17,142</u>	<u>(6,509)</u>	<u>5,867</u>
<b>Reconciliation of closing cash</b>			
Bank	28,414	2,861	18,884
Bank overdrafts	(11,272)	(9,370)	(13,017)
Call borrowings	-	-	-
	<u>17,142</u>	<u>(6,509)</u>	<u>5,867</u>

## 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	<u>30,863</u>	<u>57,447</u>	<u>140,452</u>

## **NOTES TO THE UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS**

### **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:

	<b>US\$ Million</b>
<b>Total Assets:</b>	
Current Assets	28.6
Plant, Property and Equipment	3.8
Other Assets	1.5
	33.9
<b>Total Liabilities:</b>	
Current Liabilities	(21.7)
Net Assets Acquired	12.2
Goodwill/Intangibles on Acquisition	20.8
<b>Consideration Paid</b>	<b>33</b>

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

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.

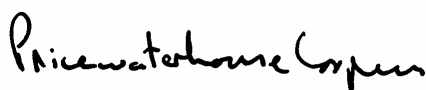
We have reviewed the interim financial statements of the Group for the period ended 30 September 2004 in accordance with the Review Engagement Standards issued by the Institute of Chartered Accountants of New Zealand.

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.



Chartered Accountants

Auckland

# Appendix 4D

## Half yearly report

Introduced 30/6/2003.

Name of entity

<b>FISHER &amp; PAYKEL APPLIANCES HOLDINGS LIMITED</b>
--

ABN or equivalent  
company reference

98026263

Half yearly  
(tick)

X

Preliminary  
final (tick)

Half year ended ('current period')

30 SEPTEMBER 2004

Half year ended ('previous corresponding period')

30 SEPTEMBER 2003

### 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)	up	9.0 %	to	469,418
Profit (loss) from ordinary activities after tax attributable to members (item 2.2)	(down)	1.2 %	to	34,524
Net profit (loss) for the period attributable to members (item 2.3)	(down)	1.2 %	to	34,524
<b>Dividends (distributions)</b> <b>(Please refer to commentary for further details)</b>		Amount per security		Franked amount per security
Interim dividend (Half yearly report only - item 2.4)		9 ¢		N.A. ¢
Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (item 2.5)	26 November 2004			
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	1.6	* 2.3

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

### 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

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

\$

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

\$

### 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

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

\$

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

\$

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

\$

### Dividends (in the case of a trust, distributions)

5 Date the dividend (distribution) is payable

8 December 2004

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)

26 November 2004

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

N.A.

**Amount per security**

		Amount per security	Franked amount per security at % tax (see note 4)	Amount per security of foreign source dividend
	<b>Interim dividend:</b>			
	Current year	9	N.A.	N.A.
		¢	¢	¢
	Previous year	* 8.8	N.A.	N.A.
		¢	¢	¢
	* based on shares on issue post subdivision			

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

	Current period \$NZ'000	Previous corresponding period - \$NZ'000
Ordinary securities (each class separately)	23,588	22,975
Preference securities (each class separately)	-	-
Other equity instruments (each class separately)	-	-
<b>Total</b>	<b>23,588</b>	<b>22,975</b>

**Dividend or distribution plans in operation (item 6.0)**

The dividend or distribution plans shown below are in operation.

<b>NIL</b>
------------

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

<b>N.A.</b>
-------------

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)

<b>NIL</b>
------------

**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
<b>Profit (loss) from ordinary activities after tax</b>	<b>NIL</b>	<b>NIL</b>
Extraordinary items net of tax	NIL	NIL
<b>Net profit (loss)</b>	<b>NIL</b>	<b>NIL</b>
Adjustments	NIL	NIL
<b>Share of net profit (loss) of associates and joint venture entities</b>	<b>NIL</b>	<b>NIL</b>


**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

<b>NEW ZEALAND ACCOUNTING STANDARDS</b>
---

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

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

Date: **11 November 2004.**

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 Accounting 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 2004 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 11<sup>th</sup> day of November 2004.



.....  
**Gary A Paykel**  
Chairman

.....  
**John H Bongard**  
Managing Director and CEO

# 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:

Gary A Paykel	Chairman
John W Gilks	Deputy Chairman, Independent
John H Bongard	Executive Director
Norman M T Geary	Non-Executive, Independent
W Lindsay Gillanders	Non-Executive
Peter D Lucas	Non-Executive, Independent
Ralph G Waters	Non-Executive, Independent
J Julian A Williams	Non-Executive

During the six months period to 30 September 2004 at the Annual Meeting of Shareholders held on 16 August 2004, Ralph G Waters, Norman M T Geary and John W Gilks, who retired by rotation in accordance with the Company's Constitution, were re-elected to the Board.