

This Six Month Result presentation dated 27 November 2009 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.



**INVESTOR PRESENTATION**  
November 2009

***Fisher & Paykel***  
*appliances*

# Highlights

- Global Manufacturing Strategy completed
- Stock Build Sold Through
- Sears Hometown Distribution Agreement
- F&P Finance Performance
- Debt Reduction

# Summary of Results

	6 Mths to Sept 2009 \$ million	6 Mths to Sept 2008 \$ million
Revenue	584.1	697.4
Normalised Group (Loss) / Profit after Taxation	(0.8)	22.4
One-off Abnormal Items after Taxation	(81.6)	(29.7)
<b>Group (Loss) After Taxation</b>	<b>(82.4)</b>	<b>(7.3)</b>
<b>Normalised (Loss) / Earnings per Share (cents)</b>	<b>(0.2)</b>	<b>7.8</b>
<b>Dividend per Share (cents)</b>	<b>Nil</b>	<b>5.0</b>

# One-off Abnormal Items

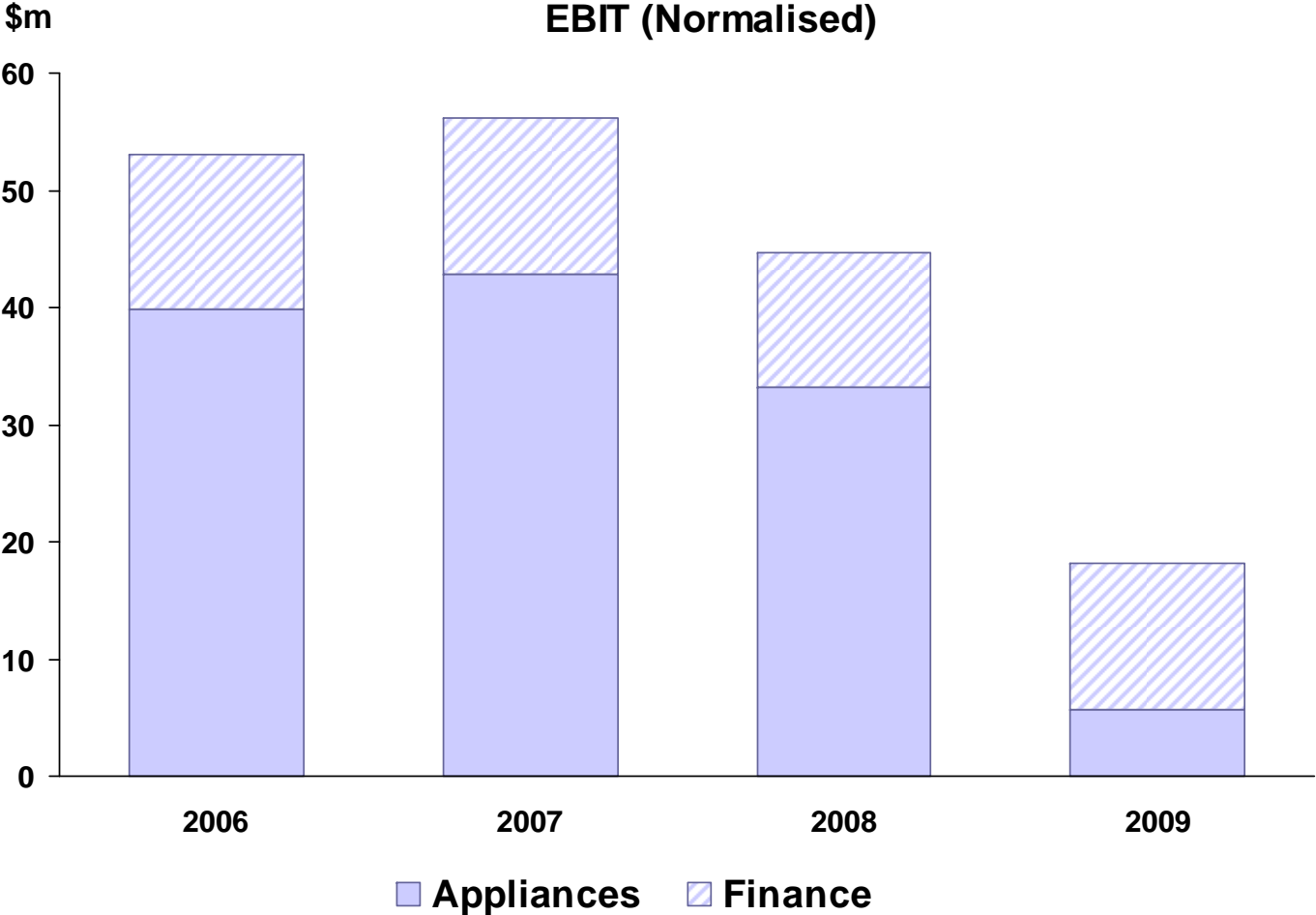
	6 Mths to Sept 2009 \$ million	6 Mths to Sept 2008 \$ million
Costs associated with the GMS	(15.0)	(41.2)
Redundancy costs	(5.5)	-
Debt restructuring costs	(9.9)	-
Impairments & FV adjustments – mainly North America	(76.8)	-
Profit on Sale of Land & Buildings	4.1	-
	<b>(103.1)</b>	<b>(41.2)</b>
Taxation	21.5	11.5
<b>Total</b>	<b>(81.6)</b>	<b>(29.7)</b>

# Segmented Results

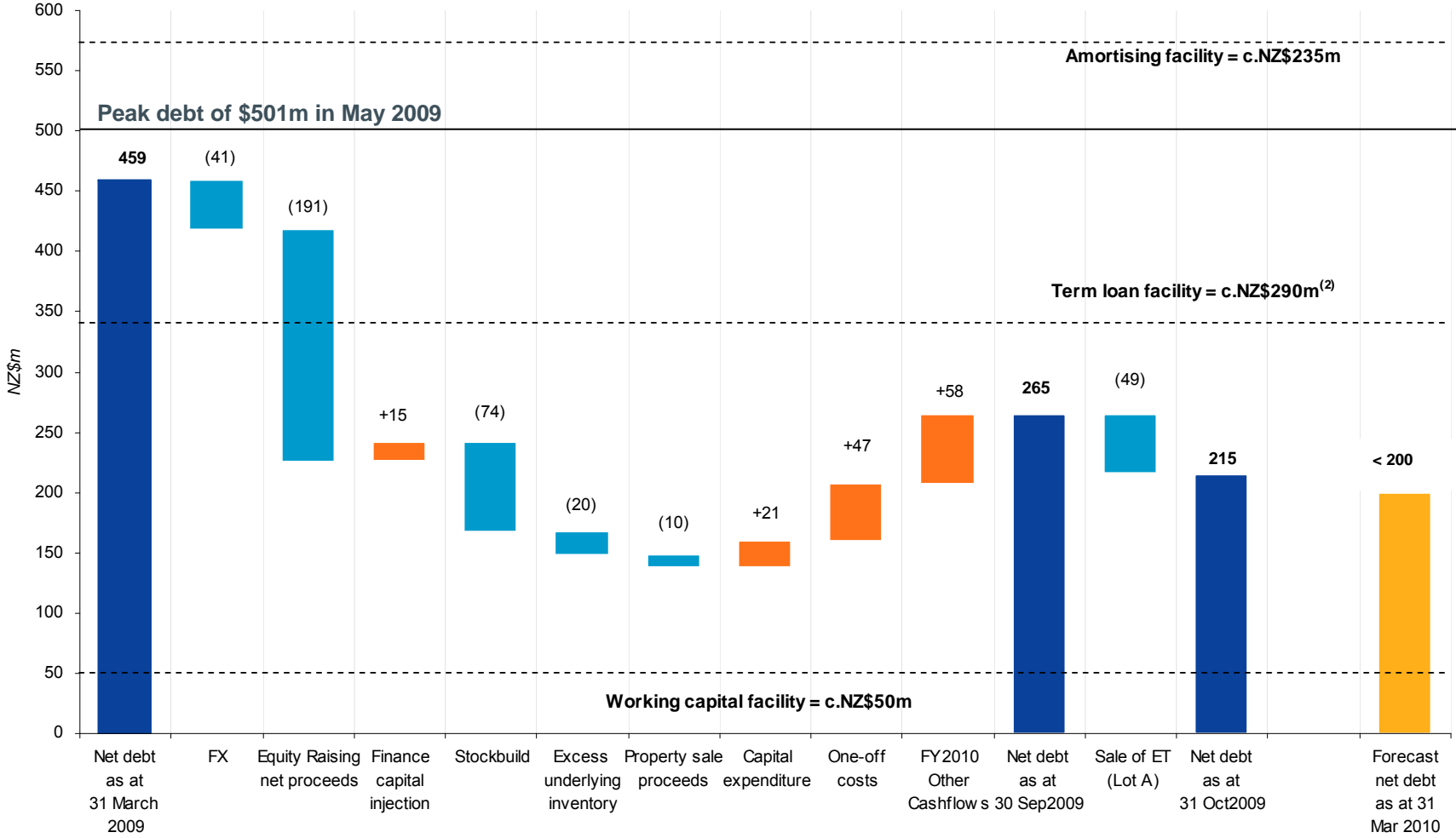
- Normalised Earnings before Interest and Tax (EBIT)

	6 Mths to Sept 2009 \$ million	6 Mths to Sept 2008 (\$ million)	% YOY Change
Appliances	5.7	33.2	(82.7)
Finance	12.5	11.6	7.4
<b>Total</b>	<b>18.2</b>	<b>44.8</b>	<b>(59.4)</b>

# Segmented Results (1<sup>st</sup> half)



# Appliances Debt Reduction

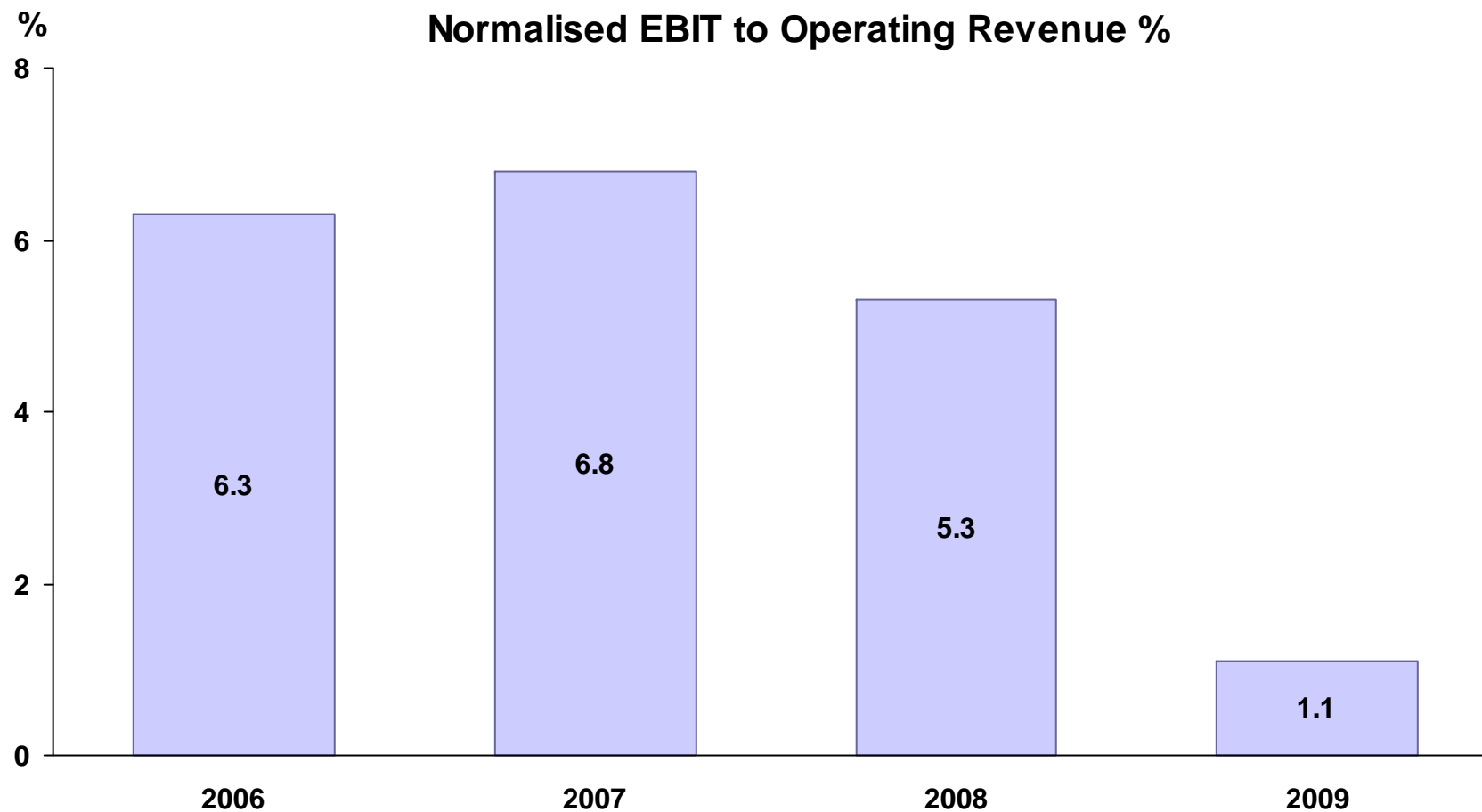


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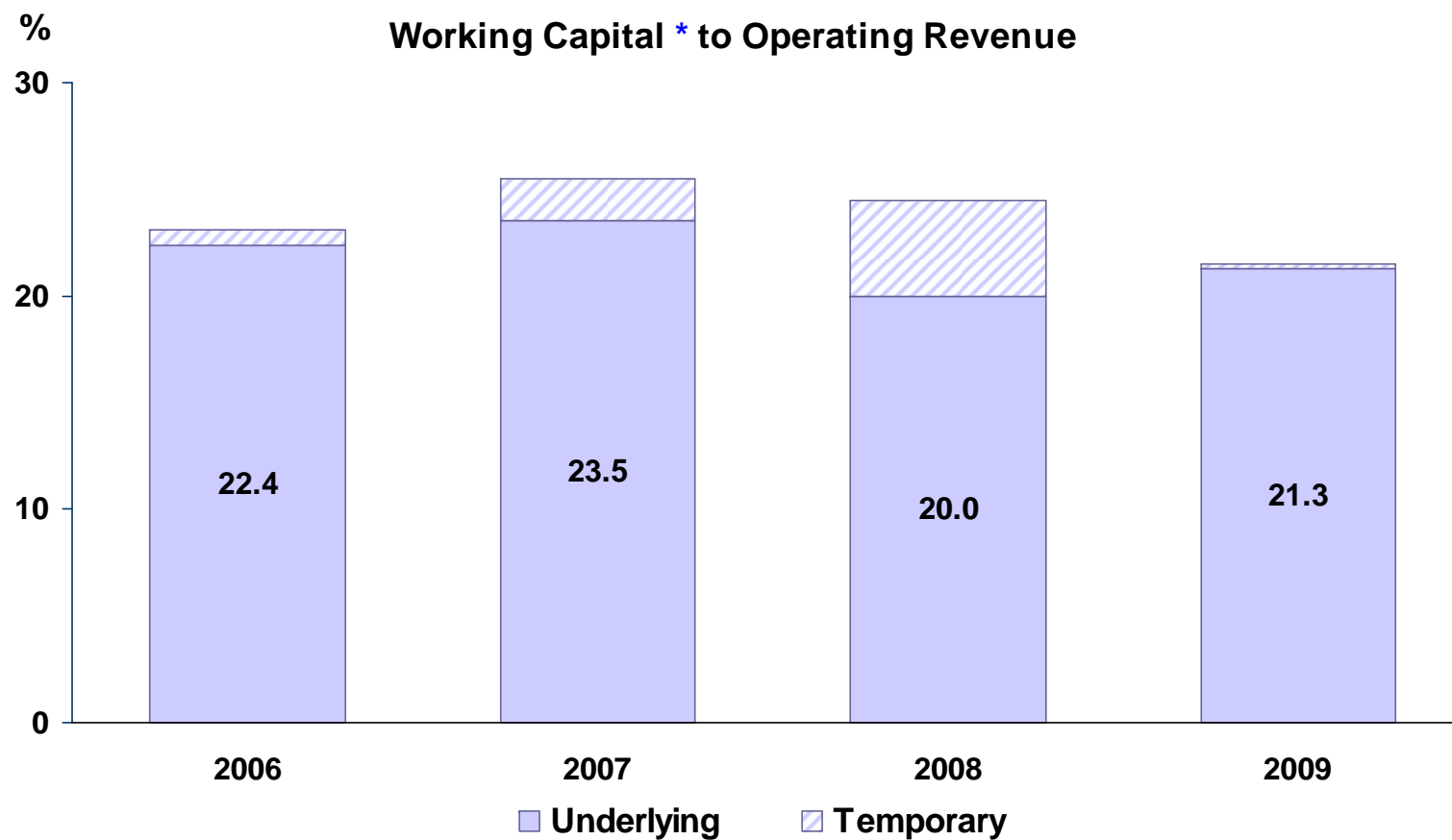
# Appliances Results

	6 Mths to Sept 2009 \$ million	6 Mths to Sept 2008 \$ million
Operating Revenue	512.6	627.8
<b>Normalised EBIT</b>	<b>5.7</b>	<b>33.2</b>
■ Costs associated with GMS	(15.0)	(41.2)
■ Redundancy costs	(5.5)	-
■ Debt restructuring costs	(9.9)	-
■ Impairments & FV adjustments – mainly North America	(76.8)	-
■ Profit on Sale of Land & Buildings	4.1	-
<b>Reported EBIT</b>	<b>(97.4)</b>	<b>(8.0)</b>
Normalised Operating Margin (EBIT to Revenue)	1.1%	5.3%
Assets Employed	943.9	1,231.0
<b>Normalised Return on Assets</b>	<b>1.2%</b>	<b>5.4%</b>

# EBIT (1<sup>st</sup> half)



# Working Capital at 30 September

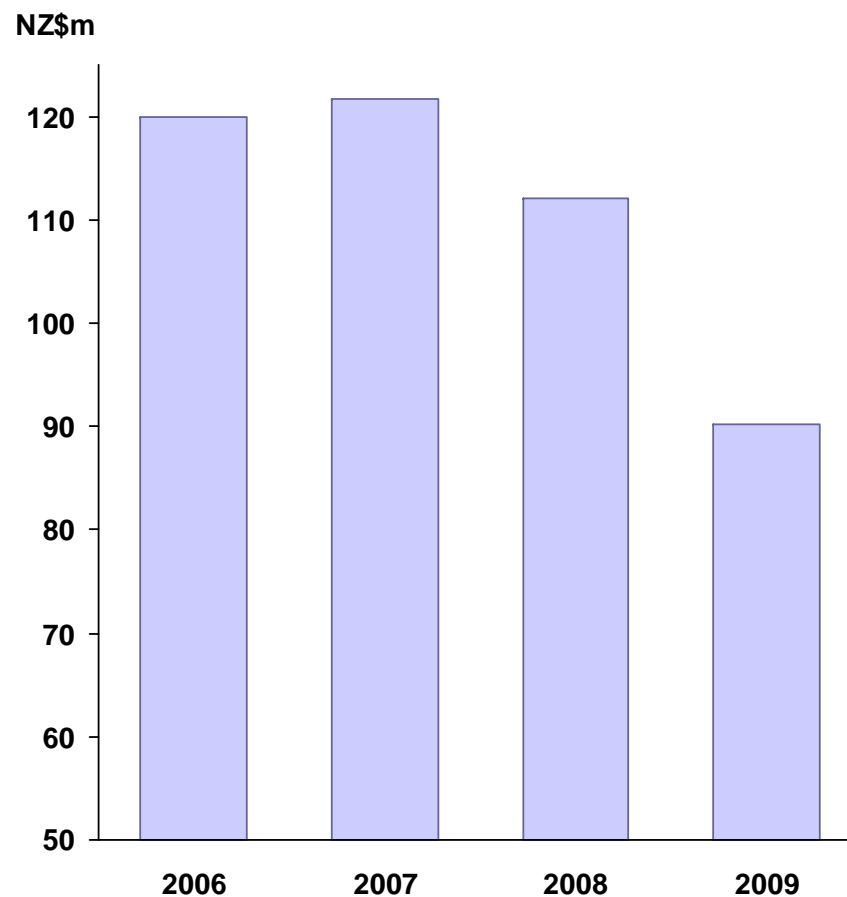


\* Defined as Inventory plus Trade Receivables minus Trade Payables

# Market Update

## ■ New Zealand

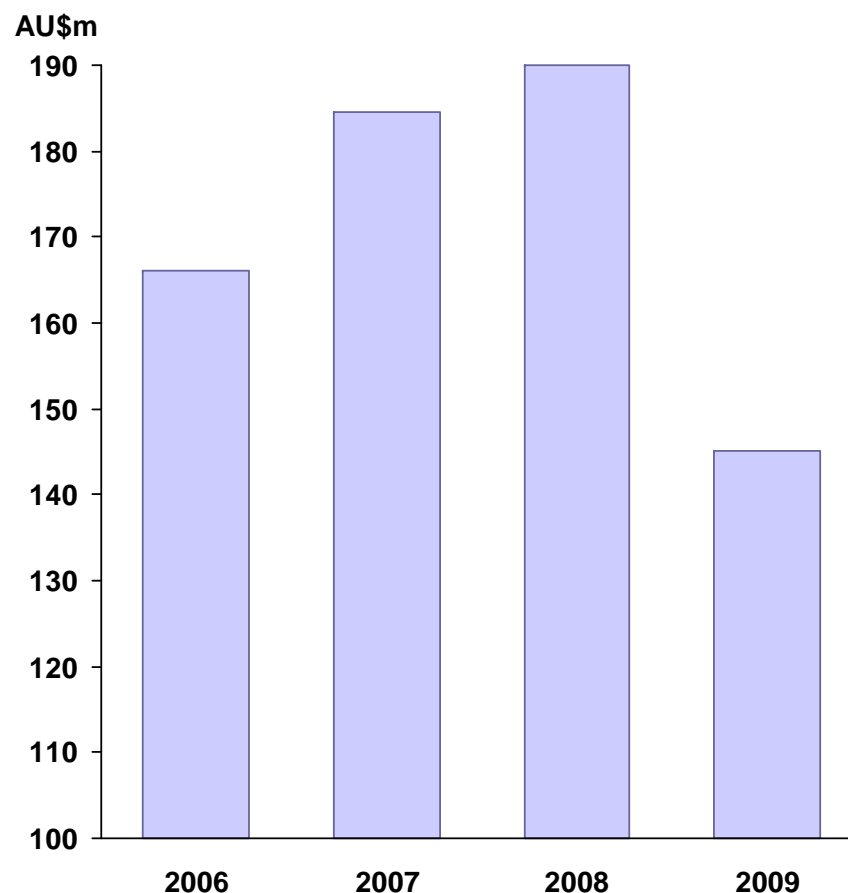
- Sales declined 19.5%
- Market size (17%)
- Elba brand performance strong
- Market decline slowing (2nd quarter -11%)
- Haier launch November



# Market Update

## ■ Australia

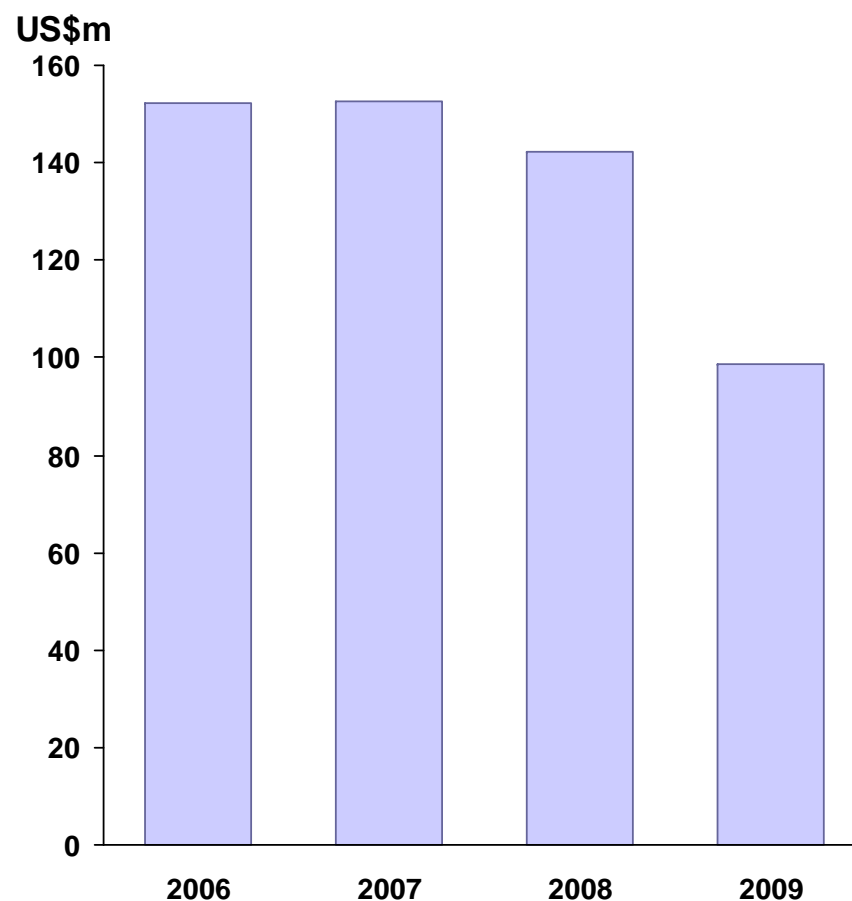
- Revenue down 23.6%
- Initiatives in place for recovery 2<sup>nd</sup> half
- Haier brand to be launched early 2010
- Global manufacturing Strategy
- Financial Constraints
  - ▶ Limited marketing activity
  - ▶ Extended Terms

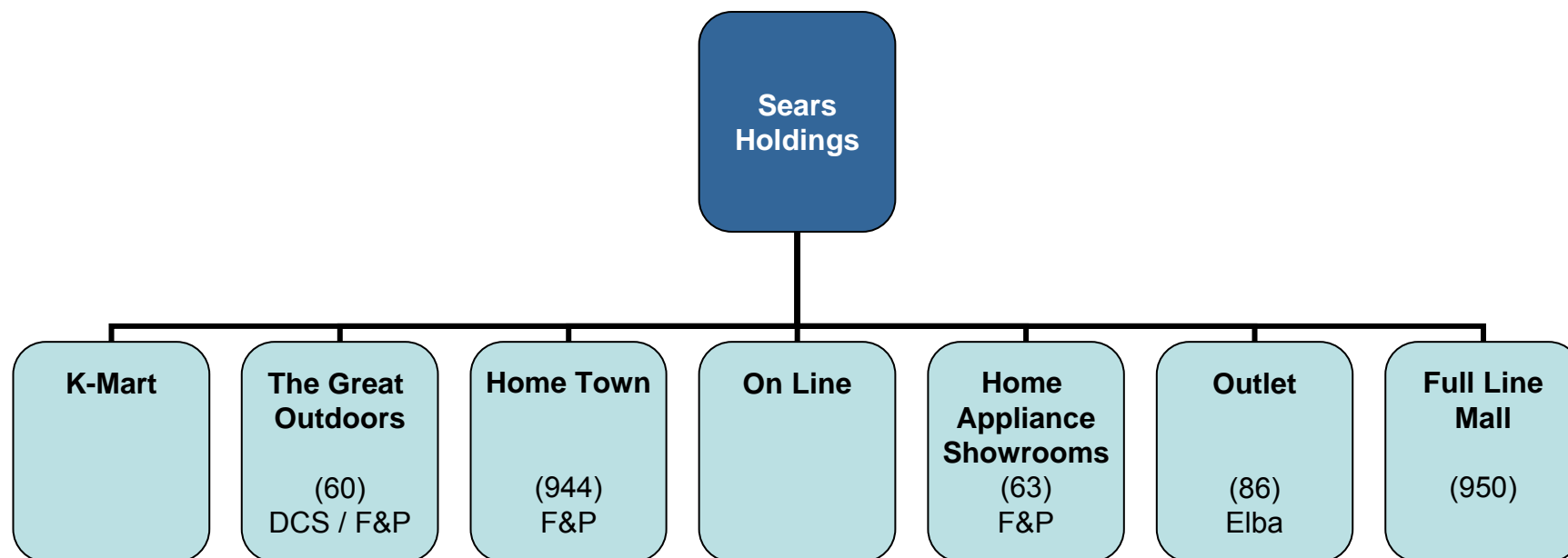


# Market Update

## ■ North America

- Revenue down 30.5%
- High end of market severely affected, down 40-50%
- F&P/DCS brands performing better than high end of market
- Business restructured for size
- Sears Holdings Distribution



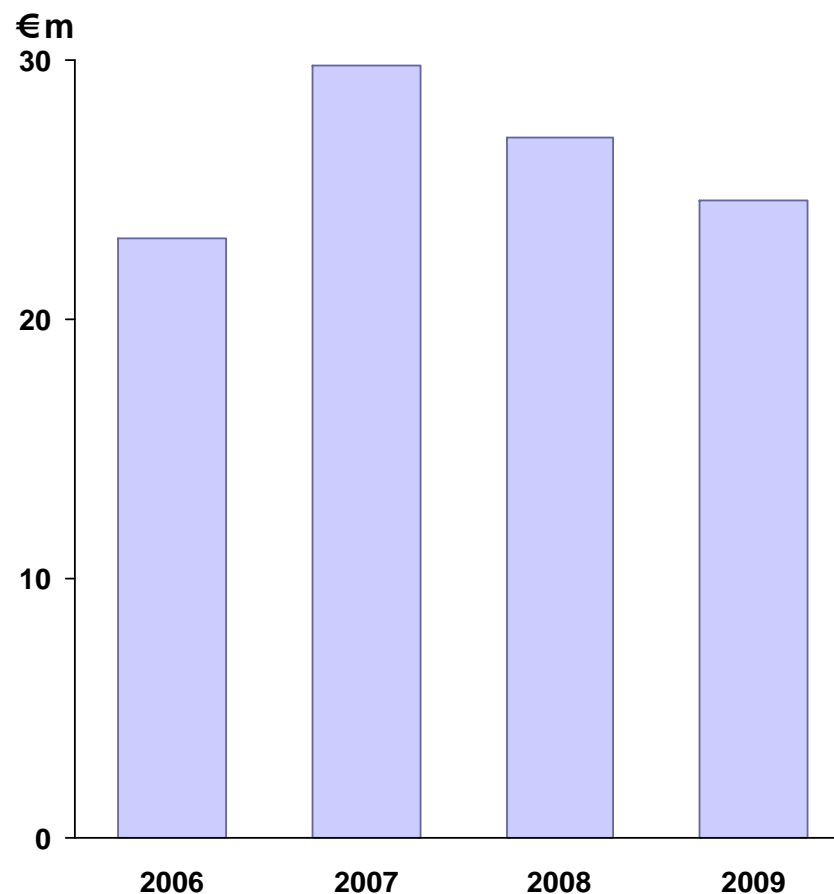


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# Market Update

## ■ Europe / United Kingdom

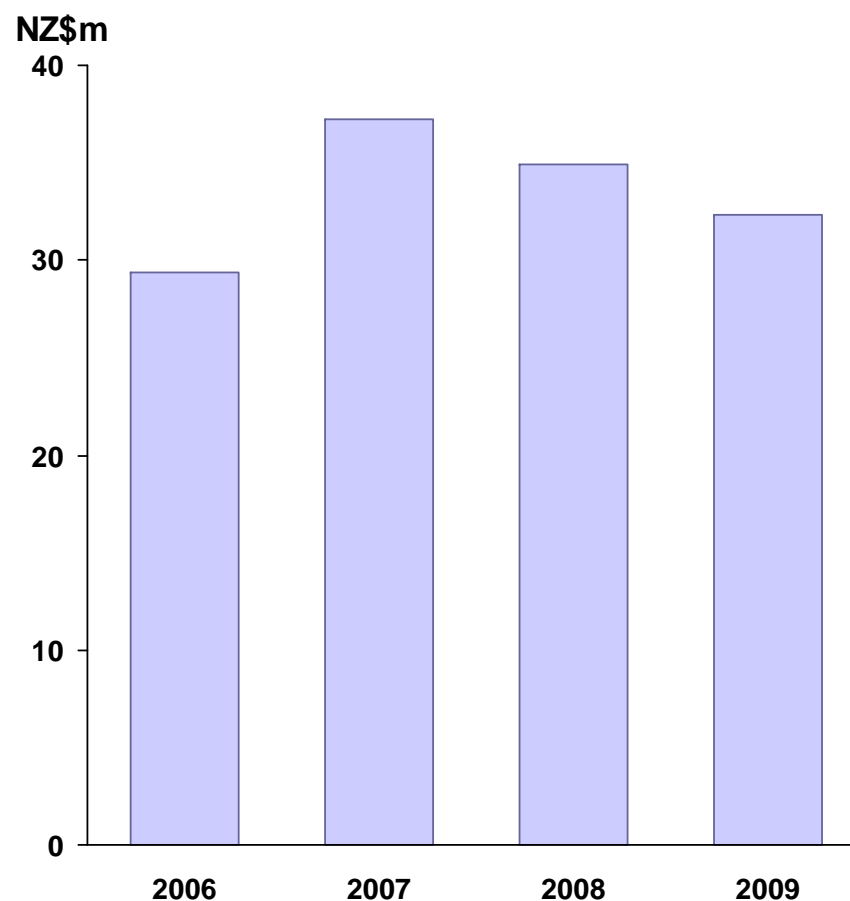
- Revenue down 8.9%
- Increased distribution in UK
- Italian produced product +2% in UK/Italy
- Represents 10.5% of business



# Market Update

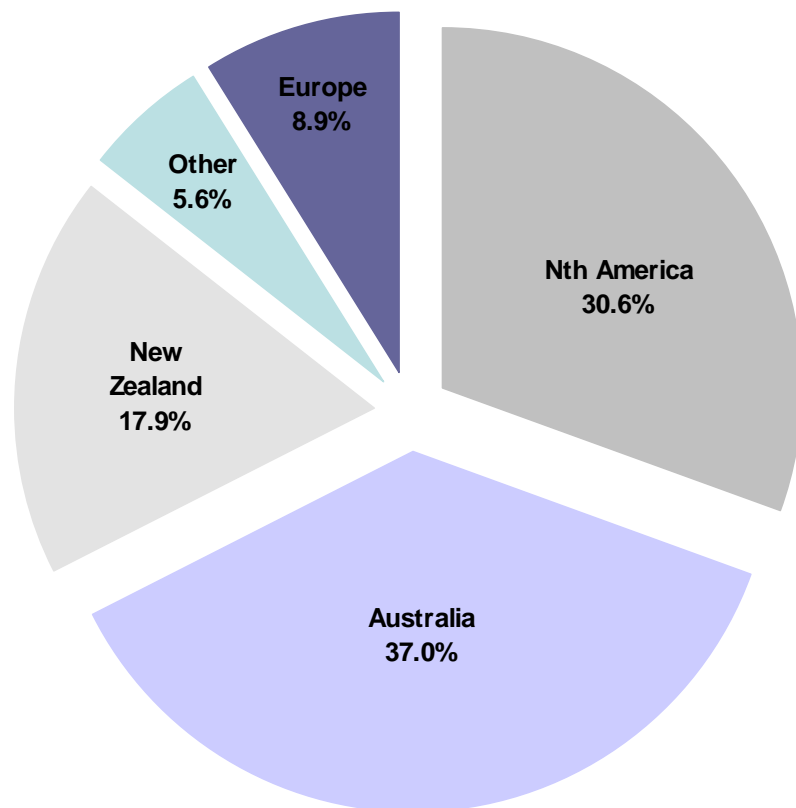
## ■ Rest of World

- Revenue down 7.3%
- Asian markets steady
- Asian market opportunities

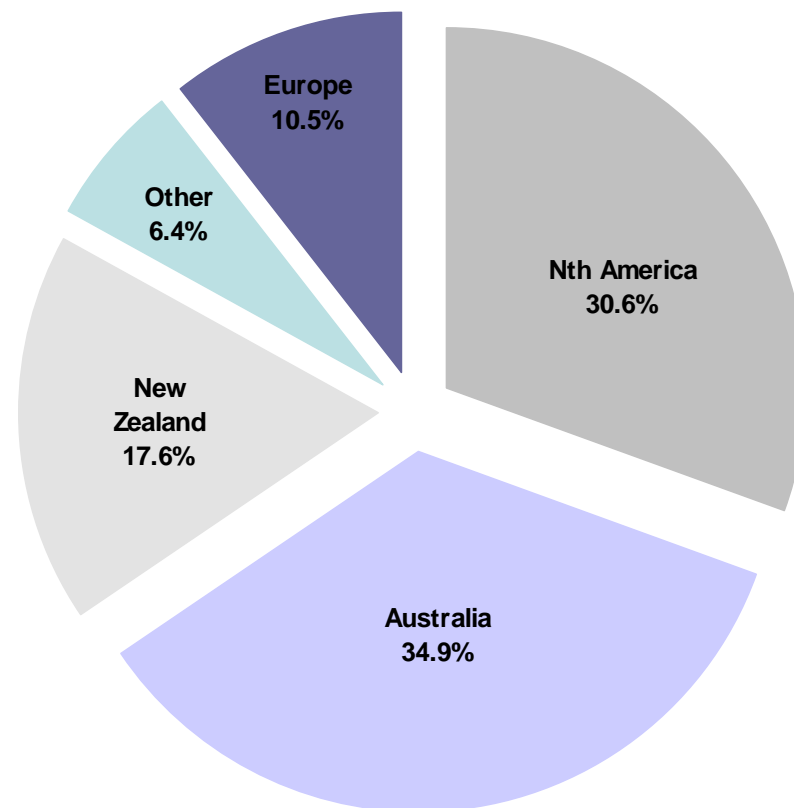


# Revenue Mix NZ Dollars

1<sup>st</sup> Half 2008/09



1<sup>st</sup> Half 2009/10



# Global Manufacturing Strategy



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# Thailand

- Refrigeration facility opened July 2009
- Supplying Global Markets
- Production requirements increased
- Quality levels exceeding expectations
- Financial benefits to be realised in 2<sup>nd</sup> half

# Reynosa, Mexico

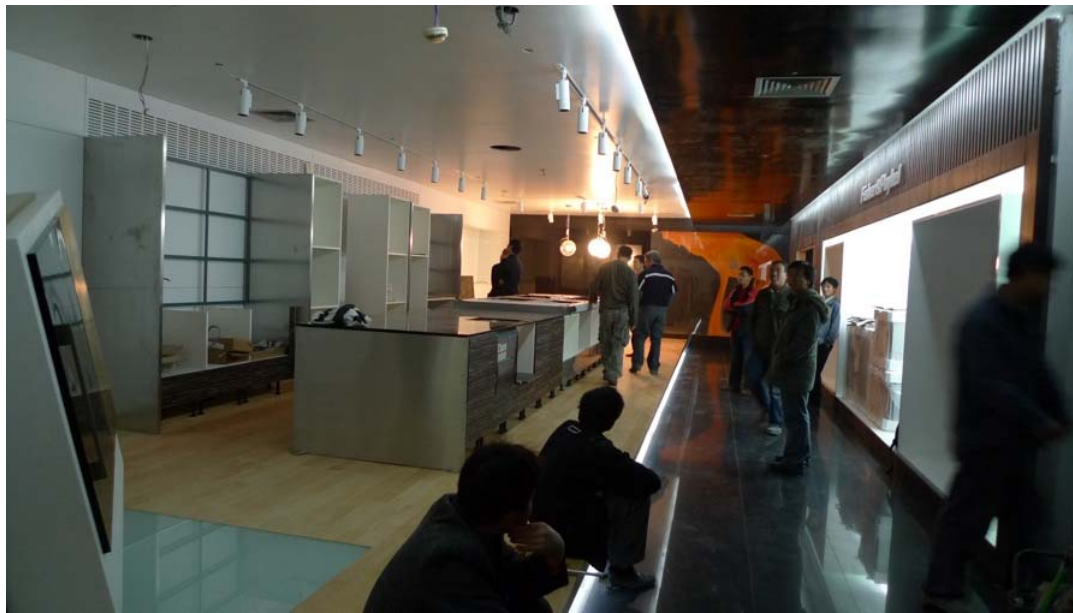
- Lower production volumes – result of lower sales demand
- Delayed consumption of high priced raw materials
- Cost savings measures implemented
  - Localisation of raw material sourcing
  - Staffing Levels
  - In sourcing of Injection moulding
- All lines fully production capable

# Haier

- **Launched brand in NZ market November 09**
  - Excellent Retail Acceptance
- **Australian distribution early in new year**
  - Small dedicated F&P team to oversee business
- **China luxury stores from Dec 09 onwards**
  - First Hangzhou Store opening in Dec 09
  - Initial orders expected before Christmas



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appliances

The logo features the text "Fisher & Paykel" in a bold, italicized blue font, with "Finance" in a smaller, italicized black font below it. The text is centered within a light gray, semi-transparent circular graphic composed of two overlapping curved lines.

***Fisher & Paykel***  
*Finance*

The logo consists of the text "Fisher & Paykel" in a bold, italicized white font, with "appliances" in a smaller, italicized white font below it. The text is set against a solid dark blue rectangular background.

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*appliances*

# Finance Results

	6 Mths to Sept 2009 \$ million	6 Mths to Sept 2008 \$ million
Operating Revenue	66.4	68.3
Normalised EBIT	12.4	11.6
Receivables	565.2	582.0

# Finance Group Earnings Detail

September Half Year

	1H10 \$M	1H09 \$M
Interest Income	53.7	55.4
Interest Expense	19.8	26.8
Operating Income	42.1	40.7
Operating Expense	16.4	17.3
Bad Debt Expense	9.7	8.3
<b>EBITA</b>	<b>16.1</b>	<b>15.1</b>
Amortisation of Intangibles	3.7	3.5
<b>EBIT</b>	<b>12.4</b>	<b>11.6</b>

# Finance Group Key Ratios

September Half Year

	1H10	1H09
Funding costs %	7.7	9.5
Cost to Income Ratio %	38.6	41.2
Bad Debt Expense Ratio % (P/L)	3.2	2.7
Bad Debt Provision Ratio % (B/S)	4.1	3.2
Margin %	10.1	8.8
Gross Receivables \$M	589	601

# Highlights 1H10

- Maintaining solid liquidity position
- Strong Cash Flow from customers
- Term funding facilities with Banks \$335m (1, 2 and 3 years)
- Retail Debenture Reinvestment rate – 64% to 83% last 6 months
- A1+ Standard & Poor's Rating maintained for Securitisation
- Growth in Consumer Q Card Receivables up 4% YOY
- Farmers Finance earnings continue to be strong

## Highlights 1H10 continued

- Vintage analysis shows significant improvement in credit quality
- Insurance Business rating A- excellent maintained

# Balance Sheet Receivables

September Half Year

	1H10 \$M	1H09 \$M
RFS Consumer	210	221
FPF Consumer	253	244
Equipment Finance	46	49
Bulk Funding	80	87
	<b>589</b>	<b>601</b>
Less Provisions	(24)	(19)
<b>Net Receivables</b>	<b>565</b>	<b>582</b>
Provisioning Ratio	4.1%	3.2%

# Balance Sheet Funding

September Half Year

	1H10 \$M	1H09 \$M
Retail Debentures	175	89
Bank Borrowing	130	228
Securitisation	210	216
<b>Total</b>	<b>515</b>	<b>533</b>
Parent Equity and Debt	197	181

# Finance Group Outlook

- **Balance Sheet Management**
  - **Manage cashflow and liquidity**
  - **Maintain diversified funding**
  - **Intense receivables account management**
  - **Complete credit rating process**
  
- **Earnings**
  - **Focus on yield**
  - **Cost containment**
  - **Conservative credit policies**
  - **FY2010 on track to exceed PFI**

# Group Outlook

- Improved second half profit performance
- Continued Debt Reduction
- Normalised Net Profit - \$16m-\$23m