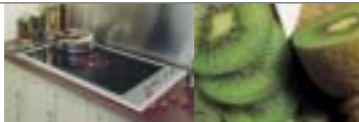


## To Shareholders

Fisher & Paykel Appliances Holdings Limited



Fisher & Paykel Appliances Holdings Limited continued to perform strongly posting a net profit after tax of \$34.0 million for the 6 months ended 30 September 2002.

Profit after taxation attributable to the Appliances and Finance businesses was \$29 million compared to \$12 million for the same period last year. A \$5 million dividend paid by Fisher & Paykel Healthcare Corporation Limited (the Healthcare Dividend) during the half, lifted the Profit after taxation to \$34 million.

The result was dominated by the Appliances business which lifted its pre-tax operating profit by a substantial 129% to \$41.5 million (\$18.1 million).

Total operating profit before taxation interest and abnormal items, which included the \$5 million Healthcare Dividend, was \$50.5 million (\$21.6 million).

There were no abnormal items in the current period.

Fisher & Paykel Appliances Holdings Limited acquired the Appliances and Finance businesses from Fisher & Paykel Industries Limited (now Fisher & Paykel Healthcare Corporation Limited) and began trading as a separate entity effective 12 November 2001. Consequently, the comparatives for the year ended 31 March 2002 represent trading for the period 12 November 2001 to 31 March 2002. Comparatives for the corresponding September half have been prepared on a pro forma basis and exclude discontinued operations.

## Revenue

Overall revenue was up by \$30 million to \$399.9 million compared to the same period last year. This increase included the \$5 million Healthcare Dividend for the year ended 31 March 2002 received in June.

## Cash Flow

The Group generated net cash flows from operations for the six months period of \$48.5 million.

Timing differences in respect to taxation inflated the operating cash flow by \$5.3 million. This was due to the prepayment of New Zealand taxation during 2001 before the separation from Fisher & Paykel Industries Limited (now Fisher & Paykel Healthcare Corporation Limited).

Inventory levels increased by \$26.6 million, during the half. This was due to the normal seasonal build of finished goods ahead of the scheduled factory shuts over the Christmas holiday period. Inventory levels remain within target.

## Capital and Depreciation

Capital spending by Appliances of \$8.9 million for the half was in line with the previously announced objective to average \$25 million per annum over the next two years. It is becoming apparent that continued sales growth is placing demands on some of our production facilities. These demands may require a review of this objective and a resulting modest increase in capital expenditure.

The fair value adjustment made on the acquisition of the Appliances and Finance businesses reduced the value of fixed assets, thus reducing the depreciation charged in subsequent years. The fair value effect in the September half was to reduce depreciation by \$4.8 million.

## Dividend

The directors have approved an interim dividend of 27 cents per share for the 6 months ended 30 September 2002 and a special dividend of 7 cents, giving a total dividend of 34 cents per share, carrying a full imputation credit. Non-resident shareholders will receive a supplementary dividend of 6 cents per share. The interim dividend will be paid on 29 November 2002, with a record date of 22 November for the NZSE, and an ex-dividend date of 18 November for the ASX and 25 November for the NZSE.

## Appliances

	6 Months 30 Sep 02 \$000	Pro forma 6 Months 30 Sep 01 \$000	(note) Year 31 Mar 02 \$000
<b>Total Appliance Revenue</b>	<b>373,253</b>	349,694	324,818
<b>Operating Profit Before Interest, Taxation and Abnormal Items</b>	<b>41,486</b>	18,135	41,338
<b>Assets Employed</b>	<b>471,421</b>	525,254	485,676
<b>Earnings to Sales Margin</b>	<b>11.1%</b>	5.2%	12.7%

Note: Representing trading for the period 12 November 2001 to 31 March 2002.

Operating profit before interest, taxation and abnormal items was substantially up at \$41.5 million (\$18.1 million). This was due to growth in sales revenue, primarily Australia and New Zealand, and more importantly an increase in the earnings to sales margin (operating profit before interest and taxation and abnormal items divided by total revenue) to 11.1%. Unit sales are summarised as follows:

	6 Months 30 Sep 02 Units	6 Months 30 Sep 01 Units
New Zealand	133,000	123,000
Australia	258,000	228,000
USA	51,000	44,000
Singapore	6,500	5,500
UK	4,000	3,500
Rest of World	19,000	18,500
<b>Total-</b>	<b>471,500</b>	422,500

In New Zealand, sales volumes were up by 8%, reflecting strong growth in the overall market size. Imports from countries with very low labour rates, like China, India and Thailand, have increased and are positioned at low price points. Notwithstanding this market size increase, market share remained steady.

Australian sales volumes were especially strong, increasing by 13%. Whilst strong growth occurred in most product categories in Australia, the market conditions for washing machines continued to be extremely difficult, due to strong competition from Korean imports. Australian Customs have initiated a dumping investigation into washing machine imports from Korea, the result of which should be known by February 2003.

We are satisfied with the 16% growth in the USA, given the tight market conditions. The upper end of the market, where our brand is positioned, was especially undermined by the turmoil of capital markets and uncertainty caused by world events.

Good growth has been experienced in the very competitive Singapore market, and from a low base, steady growth was experienced in the United Kingdom.

Unit sales in the Rest of World markets have been steady. However, our strategy is to focus more on the higher returns of our targeted markets.

Manufacturing efficiencies as a result of high volume throughput, contributed to the margin improvement.

## Finance

	6 Months 30 Sep 02 \$000	Pro forma 6 Months 30 Sep 01 \$000	(note) Year 31 Mar 02 \$000
Revenue	21,396	20,447	14,851
Profit Before Taxation	4,023	3,458	2,188
Receivables	257,699	258,957	253,166

Note: Representing trading for the period 12 November 2001 to 31 March 2002.

The finance company continues to perform well in supporting Appliance sales in New Zealand.

## Outlook

Market conditions are expected to continue at similar levels up to Christmas and then be softer in the principal markets of New Zealand and Australia. We recently released the Iridium range of stainless steel products into the New Zealand market and will, this month, launch them in Australia. This will enhance our premium priced Quantum range.

We see tight market conditions continuing through the second half in the USA. However, the release of the new Titan cooking products should provide future growth at similar levels to the first half.

The water softener version of Dishdrawer® will be launched into the United Kingdom in November which should ensure strong growth from that market.

The launch of Dishdrawer®, refrigeration and cookware into Europe, will provide new sales growth opportunities during the latter part of the second half.

The Finance business is expected to maintain satisfactory results.

With the growth of our business in the Northern Hemisphere, the results are now becoming more balanced across the first and second halves.

*GAP y kel.*

Gary Paykel

Executive Chairman

8 November 2002

## Unaudited Interim Condensed

### Financial Statements

Fisher & Paykel Appliances Holdings Limited

## Revenue (Unaudited)

	6 Months 30 Sep 02 \$000	Consolidated Pro forma 6 Months 30 Sep 01 \$000	(note) Year 31 Mar 02 \$000
Appliances			
New Zealand	110,470	100,303	84,046
Australia	174,629	161,437	162,308
USA	63,117	61,224	59,213
Singapore	6,706	6,418	6,107
United Kingdom	6,329	5,672	4,187
Rest of World	12,002	14,640	8,957
<b>Total Appliances Revenue</b>	<b>373,253</b>	349,694	324,818
Finance New Zealand	21,396	20,447	14,851
Dividend	5,052	69	52
Interest	176	155	140
<b>Total Operating Revenue</b>	<b>399,877</b>	370,365	339,861

## Result (Unaudited)

	6 Months 30 Sep 02 \$000	Pro forma 6 Months 30 Sep 01 \$000	(note) Year 31 Mar 02 \$000
Appliances	41,486	18,135	41,338
Finance New Zealand	4,023	3,458	2,188
Investments	4,954	-	-
Operating profit before interest, taxation and abnormal items	50,463	21,593	43,526
Interest	(2,926)	(3,572)	(3,048)
Operating profit before taxation and abnormal items	47,537	18,021	40,478
Abnormal items - Separation costs	-	-	(36,019)
Profit before taxation	47,537	18,021	4,459
Taxation	(13,582)	(5,976)	(3,314)
<b>Profit after taxation</b>	<b>33,955</b>	12,045	1,145
Profit after taxation excluding abnormal items	33,955	12,045	27,336
Earnings per share - Basic	52c		
- Diluted	51c		

Note: Representing trading for the period 12 November 2001 to 31 March 2002

## Statement of Financial Position (Unaudited)

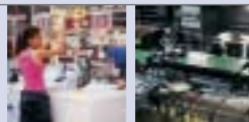
	As at 30 Sep 02 \$'000	Consolidated As at 31 Mar 02 \$'000
<b>Assets</b>		
Current assets		
Cash and bank balances	5,565	2,924
Debtors and other current assets	70,419	99,204
Finance receivables	168,970	169,103
Inventories	148,830	122,274
Taxation	5,668	10,454
<b>Total current assets</b>	<b>399,452</b>	403,959
Non current assets		
Property plant and equipment	236,282	244,018
Investment in Fisher & Paykel Healthcare Corporation Limited	230,862	230,862
Other assets	534	537
Finance receivables	91,023	87,685
Deferred taxation	16,852	18,340
<b>Total non current assets</b>	<b>575,553</b>	581,442
<b>Total assets</b>	<b>975,005</b>	985,401
<b>Liabilities</b>		
Current liabilities		
Bank overdrafts	10,018	8,542
Call borrowings	402	15,289
Trade creditors	47,385	52,458
Provisions	18,248	17,961
Finance borrowings	166,344	161,344
Term borrowings	18,000	9,081
Taxation	-	234
Other liabilities	34,382	33,075
<b>Total current liabilities</b>	<b>294,779</b>	297,984
Term liabilities		
Term borrowings	41,729	54,264
Finance borrowings	63,853	68,453
Provisions	14,646	15,183
<b>Total term liabilities</b>	<b>120,228</b>	137,900
<b>Total Liabilities</b>	<b>415,007</b>	435,884
<b>Shareholders' equity</b>		
Shareholders' equity	559,998	549,517
<b>Total shareholders' equity</b>	<b>559,998</b>	549,517
<b>Total liabilities and shareholders' equity</b>	<b>975,005</b>	985,401

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

	Consolidated		Consolidated	
	As at 30 Sep 02 \$000	As at 31 Mar 02 \$000	6 Months 30 Sep 02 \$000	Year 31 Mar 02 \$000
<b>Shareholders' equity at the beginning of the period</b>	<b>549,517</b>	<b>3</b>		
Buy back of share capital	-	(3)		
Issue of share capital	208	547,925	(4,855)	(20,907)
Profit after taxation	33,955	1,145		
Dividend paid	(21,124)	-		
Movement in currency translation reserve	(2,558)	447		
<b>Shareholders' equity at the end of the period</b>	<b>559,998</b>	<b>549,517</b>		

**Statement of Cash Flows (Unaudited)**

	Consolidated		Consolidated	
	6 Months 30 Sep 02 \$000	Year 31 Mar 02 \$000	6 Months 30 Sep 02 \$000	Year 31 Mar 02 \$000
<b>Cash flows from (used in) operating activities</b>				
Gross cash inflow	423,366	345,978		
Gross cash outflow	(374,898)	(291,079)		
<b>Net cash flow from (used in) operations</b>	<b>48,468</b>	<b>54,899</b>		
<b>Cash flows from (used in) investing activities</b>				
Gross cash inflow	147,279	103,607		
Gross cash outflow	(156,923)	(108,381)		
<b>Net cash flow from (used in) investing activities</b>	<b>(9,644)</b>	<b>(4,774)</b>		
<b>Cash flows from (used in) financing activities</b>				
Gross cash inflow	139,977	539,946		
Gross cash outflow	(165,669)	(621,914)		
<b>Net cash flows from (used in) financing activities</b>	<b>(25,692)</b>	<b>(81,968)</b>		
Net increase (decrease) in cash	13,132	(31,843)		
Opening cash	(20,907)	-		
Cash acquired on separation	-	9,679		
Effect of foreign exchange rates	2,920	1,257		
<b>Closing cash</b>	<b>(4,855)</b>	<b>(20,907)</b>		


**Segments (Unaudited)**

	Consolidated		Consolidated	
	6 Months 30 Sep 02 \$000	Year 31 Mar 02 \$000	6 Months 30 Sep 02 \$000	Year 31 Mar 02 \$000
<b>Shareholders' equity at the beginning of the period</b>	<b>549,517</b>	<b>3</b>		
Buy back of share capital	-	(3)		
Issue of share capital	208	547,925	(4,855)	(20,907)
Profit after taxation	33,955	1,145		
Dividend paid	(21,124)	-		
Movement in currency translation reserve	(2,558)	447		
<b>Shareholders' equity at the end of the period</b>	<b>559,998</b>	<b>549,517</b>		

	Consolidated		Consolidated	
	6 Months 30 Sep 02 \$000	Year 31 Mar 02 \$000	6 Months 30 Sep 02 \$000	Year 31 Mar 02 \$000
<b>Shareholders' equity at the beginning of the period</b>	<b>549,517</b>	<b>3</b>		
Buy back of share capital	-	(3)		
Issue of share capital	208	547,925	(4,855)	(20,907)
Profit after taxation	33,955	1,145		
Dividend paid	(21,124)	-		
Movement in currency translation reserve	(2,558)	447		
<b>Shareholders' equity at the end of the period</b>	<b>559,998</b>	<b>549,517</b>		

**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 2002.

The financial statements for the six months ended 30 September 2002 and 30 September 2001 are unaudited. The financial information for the year ended 31 March 2002 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 2002 and 30 September 2001 (see also Basis for Preparation below) are consistent with those used in the preparation of the financial statements for the year ended 31 March 2002.

**Basis for Preparation- Proforma 30 September 2001**

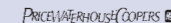
Effective 12 November 2001 Fisher & Paykel Appliances Holdings Limited acquired from Fisher & Paykel Industries Limited (now Fisher & Paykel Healthcare Corporation Limited) the Appliances and Finance businesses together with a 19.4% investment in Fisher & Paykel Healthcare Corporation Limited.

These financial statements disclose the results of the Appliances and Finance businesses for the six months ended 30 September 2001 disregarding the changes in ownership and have been "carved out" of the Fisher & Paykel Industries Limited consolidated financial statements for the period ended 30 September 2001. Accordingly, the results may differ from those that may have been achieved had the businesses been operating on a standalone basis for the entire period.

Prior to 11 November 2001 the treasury function for Fisher & Paykel Industries Limited had been managed on a centralised basis. This included the investment of surplus cash, the issuance, repayment and repurchase of short and long term debt, including derivative financial instruments. Accordingly, debt managed in this manner, which was not specifically identifiable with operations of a particular business of the Fisher & Paykel Industries Limited Group, were allocated to the appliances business. For the entire period all derivatives were specifically identified with specific businesses.

**Subsequent Event**

On 8th November 2002, the Directors approved an interim dividend of 27 cents per share for the six months ended 30 September 2002 and a special dividend of 7 cents, giving a total dividend of 34 cents per share, carrying a full imputation credit. The dividend will be paid on 29 November 2002.


**Accountants' Report**

To the Shareholders of Fisher & Paykel Appliances Holdings Limited

We have reviewed the interim financial statements. The interim financial statements provide information about the past consolidated financial performance and consolidated cash flows of the Group for the period ended 30 September 2002 and its consolidated financial position as at that date including proforma information for the period ended 30 September 2001. This information is stated in accordance with the accounting policies set out on pages 24 to 26 of the most recent Annual Report, and, for the "proforma" financial information, in accordance with the Basis of Preparation.

**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 2002 and its consolidated financial performance and consolidated cash flows for the period ended on that date including proforma information for the period ended 30 September 2001.

**Accountants' responsibilities**

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

**Basis of opinion**

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit on the 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 2002 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 financial statements do not present fairly the consolidated financial position of the Group as at 30 September 2002 and its consolidated financial performance and consolidated cash flows for the period ended on that date.

Our review was completed on 8 November 2002 and our review opinion is expressed as at that date.

Chartered Accountants Auckland



Fisher & Paykel  
Appliances  
Holdings Limited



For the  
six months ended  
30 September 2002  
This Statement has not  
been audited.  
All figures are in  
thousands of dollars.

2002

INTERIM REPORT