Interim Report 2013

IMPROVING PATIENT CARE AND OUTCOMES





























Contents

0
02
05
06
12
16
23
35
36

Highlights

We continue to expand our range of innovative products, develop opportunities to serve additional patient groups and increase our international presence.

New Products

- → F&P ESON™
- → F&P PILAIRO™
- → ICON[™] PREMO WITH SENSAWAKE[™]
- → OPTIFLOW™ JUNIOR
- → EVAQUA™ 2
- → AIRVO™ 2



18% 个

GROWTH IN NET PROFIT AFTER TAX OVER FIRST HALF LAST YEAR. \$266.9m

RECORD FIRST HALF
OPERATING REVENUE.

5.4c

INTERIM DIVIDEND OF NZ5.4 CENTS, FULLY IMPUTED.

8%

OF OPERATING REVENUE INVESTED IN RESEARCH & DEVELOPMENT. 20% 个

GROWTH IN CONSTANT CURRENCY REVENUE FROM NEW APPLICATION CONSUMABLES. 11% 个

GROWTH IN RAC
CONSTANT CURRENCY
PRODUCT GROUP
REVENUE OVER FIRST
HALF LAST YEAR.

Half Year Review

Providing medical devices which help to improve patient care and outcomes remains fundamental to our consistent long-term growth strategy. We continue to expand our range of innovative products, develop opportunities to serve additional patient groups and increase our international presence.

FINANCIAL RESULTS

Our net profit after tax increased 18% to NZ\$33.3 million compared to NZ\$28.3 million for the first half last year. The strong increase in net profit was a result of robust revenue growth, gross margin expansion, disciplined control of expenses and other operational efficiencies. In constant currency terms, operating profit increased a very encouraging 46%.¹

Total operating revenue grew 6% to a record NZ\$266.9 million, or 8% growth in constant currency, with good progress in both our respiratory and acute care (RAC) product group and obstructive sleep apnea (OSA) product group.

Your directors have approved an interim dividend for the financial year ending 31 March 2013 of 5.4 NZ cents per ordinary share (2012: 5.4 cents), carrying full imputation credit. For New Zealand resident shareholders that equates to a gross dividend of 7.5 cents per ordinary share. Eligible non-resident shareholders will receive a supplementary dividend of 0.9529 NZ cents per ordinary share. The interim dividend will be paid on 14 December 2012, with a record date of 3 December 2012 and ex-dividend dates of 27 November 2012 for the ASX and 29 November 2012 for the NZSX.

We continue to offer a dividend reinvestment plan (DRP), under which eligible shareholders may elect to reinvest all or part of their cash dividends in additional shares. Consistent with past practice,

a 3% discount will be applied when determining the price per share of shares issued under the DRP and will be applied in respect of the 2013 interim dividend and future dividends, until such time as the directors determine otherwise.

RESPIRATORY & ACUTE CARE

Warming and humidification of the gases delivered during mechanical ventilation or oxygen therapy reproduces the normal functioning of the nose and upper airways and reduces airway moisture loss and the occurrence of adverse side effects. Our leading heated humidifier and respiratory care systems assist patient care in a variety of medical conditions that interfere with normal respiration. Our products can help to reduce escalation of care, length of hospital stay and the overall cost of care.

Our systems include humidifier controllers, chambers, breathing circuits that convey medical gases to and from the patient, interfaces, Optiflow™ oxygen therapy systems and neonatal respiratory care devices. We also offer humidification systems that humidify the cold, dry carbon dioxide gas used during laparoscopic surgery and some open surgical procedures.

Demand for our RAC humidifier controllers and consumables continued to be strong during the first half and resulted in RAC product group operating revenue of NZ\$142.9 million, up 9% on the same period last year, or 11% in constant currency.

¹ Constant currency data excludes the impact of movements in foreign exchange rates and hedging results. References to constant currency amounts or percentages are stated in italics.

We are pursuing opportunities to increase the number of patients our devices can assist, by expanding from our traditional intensive care ventilation market into non-invasive ventilation, oxygen therapy, humidity therapy, neonatal respiratory care and surgery. We continued to make very good progress, with consumables revenue derived from those new applications growing 20% in constant currency.

We were very pleased in November to receive a 2012 American Association of Respiratory Care Zenith Award for providing outstanding quality, service, accessibility, support and truth in advertising to members of the respiratory care community.

OBSTRUCTIVE SLEEP APNEA

OSA is a very prevalent condition that causes excessive daytime fatigue, is associated with cardiovascular disease and strokes, and is directly linked to hypertension. In fact, tens of millions of people worldwide who have untreated OSA stop breathing for short periods many times each night while they are asleep.

Continuous positive airway pressure (CPAP) therapy is the most common treatment for OSA. CPAP therapy prevents the collapse and blockage of the airway during periods of deep sleep and is delivered using an air flow generator, humidifier, tubing and mask.

Our OSA product group operating revenue was NZ\$114.2 million for the six months, representing 3% growth in constant currency terms. For our mask range, constant currency revenue growth of 5% reflected a ramp-up in growth during the half, following the introduction of our new Pilairo™ nasal pillows and Eson™ nasal masks. Customer response to both masks has been extremely positive, with constant currency mask revenue growth of 11% in the second quarter.

Revenue for our ICON™ flow generator range grew 5% in constant currency over the first half last year, offset by the expected decline in revenue from our legacy SleepStyle™ range. The ICON product

range integrates our leading technologies into stylish, compact and intelligent devices to deliver a better night's sleep for people with OSA. We expect growth in ICON sales to increase, following the recent introduction of our SensAwake™ Responsive Pressure Relief technology into our mid-range ICON Premo model.

RESEARCH AND DEVELOPMENT

Investment in research and development continues to be fundamental to increasing our opportunities for growth and to ensuring that we can offer devices which can improve patient care and outcomes.

Our research and development expenditure grew 7% compared with the same period last year to NZ\$21.3 million, representing 8% of operating revenue.

Over the half we have again been busy with new product introductions, which have included the new masks already mentioned above.

We have continued the roll-out of new adult and infant breathing circuits, which incorporate our unique Evaqua™ 2 technology for condensate control and have begun the introduction of Optiflow Junior.

Optiflow Junior delivers humidified oxygen via the nose to babies suffering from breathing difficulties, and reflects our ongoing commitment to develop innovative medical devices that improve patient care and outcomes. Judges at the recent Designers Institute of New Zealand Best Design Awards commented that Optiflow Junior was an "exceptional piece of design work that demonstrates the power of a high-level humancentred approach to design underpinned by significant 'upfront' research, design insights and technical development work... it demonstrates leadership in the field, and revolutionises the care of seriously ill infants".

The second generation of our AIRVO™ and myAIRVO™ systems for Optiflow humidification and oxygen therapy have been introduced to a number of countries with a very positive initial response from customers.

We continue to have a substantial new product pipeline under development, which includes additional masks, breathing system consumables, flow generators and humidifier systems.

INTERNATIONAL SALES

North America generated 44% of our operating revenue for the half year, with Europe 32% and Asia/Pacific and Other 24%.

We have continued to expand our international sales, marketing and operations teams to increase our geographical coverage and to support ongoing growth. In September we acquired selected assets from our distributor in South Korea and established our own sales operation. We have sales offices or sales support staff located in 32 countries.

Selling, general and administrative (SG&A) expenses increased 6% to NZ\$77.0 million, an increase of 7% in constant currency terms. Productivity gains resulted in constant currency SG&A expense growth below both revenue and gross profit growth.

Our operating revenue was generated in a variety of currencies, with our products sold in more than 120 countries in total. US dollars contributed 51% of operating revenue, Euros 22%, Australian dollars 7%, Japanese yen 5%, Canadian dollars 4%, British pounds 4%, New Zealand dollars 2%, and other currencies 5%. The proportion of our operating revenue derived in US dollars continued to decrease, as we expanded our direct sales activities in a number of countries.

CAPACITY EXPANSION

Construction of the 31,000m² third building on our Auckland site has been completed. The new facility provides increased research and development, laboratory, office, manufacturing and warehouse space and will accommodate the capacity to more than double our New Zealand-based research, development, marketing and clinical activities over time.

The increase in manufacturing of consumable products at our facility in Tijuana, Mexico is

progressing, with more than 25% of our high volume consumables now manufactured there. Our Mexico facility provides both geographic diversity and substantial manufacturing and logistics cost savings.

GOVERNANCE

As part of our ongoing board refreshment process, Donal O'Dwyer, who has over 25 years' experience as a senior executive and director in the global medical device industry, has been appointed as an additional independent non-executive director of the company effective 1 December 2012. Gary Paykel and Dr. Nigel Evans indicated at our Annual Shareholders' Meeting (ASM) in August that they intend to retire from the board following the ASM next year. We have made this appointment ahead of the planned retirements to ensure a smooth transition.

OUTLOOK

Growth in demand for our products increased during the first half and we expect a further increase for the remainder of the 2013 financial year.

For the 2013 financial year, assuming current exchange rates for the remainder of the year, we expect our operating revenue to be in the range of NZ\$545 million to NZ\$555 million and net profit after tax to be in the range of NZ\$69 million to NZ\$72 million.

Our teams around the world remain committed to delivering long-term growth to our shareholders and we look forward to building on our positive momentum through the remainder of this financial year and beyond.

TONY CARTER

Chairman

MICHAEL DANIELL

Managing Director and Chief Executive Officer



Financial Information

Half Year Results Commentary

Net profit after tax was NZ\$33.3 million for the six months ended 30 September 2012, an increase of 18% compared to the prior corresponding period net profit after tax of NZ\$28.3 million. The increase in the half year net profit after tax reflects revenue growth, gross margin expansion, disciplined control of expenses and other operational efficiencies. In constant currency terms, operating profit increased 46%. This positive result was partially offset by the appreciation of the NZ dollar against most major currencies.

Operating revenue was a record NZ\$266.9 million, 6% above the same period last year, or 8% in constant currency terms. The company's respiratory and acute care product group (RAC) operating revenue increased by 11% and obstructive sleep apnea (OSA) product group revenue increased by 3% over the prior comparable period, in constant currency terms.

Strong growth in the RAC product group was driven by ongoing growth in acceptance of products which are used in applications outside of intensive care ventilation, including non-invasive ventilation, oxygen therapy and humidity therapy.

In the OSA product group, mask constant currency revenue growth of 5% reflected a ramp-up in growth during the half, due to the introduction of the new Pilairo nasal pillows and Eson nasal masks. Revenue for the ICON flow generator range grew 5% in constant currency over the first half last year, offset by a decline in revenue from the SleepStyle flow generator range.

The company's financial statements for the six months ended 30 September 2012 and the comparative financial information for the six months ended 30 September 2011 have been prepared under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The directors have approved an interim dividend of NZD 5.4 cents per ordinary share carrying a full imputation credit of 2.1 cents per share (100% imputed based on a 28% tax rate). Non-resident shareholders will receive a supplementary dividend

of NZD 0.9529 cents per share. The interim dividend will be paid on 14 December 2012, with a record date of 3 December 2012 and an ex-dividend date of 27 November 2012 for the ASX and 29 November 2012 for the NZSX.

The company offers eligible shareholders the opportunity to receive ordinary shares rather than cash under the Dividend Reinvestment Plan (DRP). The directors have maintained a discount on the DRP of 3% to encourage shareholders to take up the offer as part of the company's plan to build shareholders' funds.

In May 2010 the directors reviewed the company's capital structure and determined that the company needed to progressively increase its shareholders' funds, to ensure that it has capacity to continue to implement its foreign currency hedging policy as the company grows.

A target debt to debt plus equity ratio of 5% to 15% (excluding unrealised financial instrument gains or losses) was established. The directors expect that, subject to earnings performance, the dividend will be maintained in real terms until such time as the target capital structure is achieved. Longer term, the directors expect that a dividend payout ratio of greater than 60% will be appropriate to maintain target gearing.

The directors have maintained the dividend payment for the first half at 5.4 cps on the basis that the interim dividend equates to 87% of net profit after tax.

FINANCIAL PERFORMANCE

The following table sets out the consolidated statement of financial performance for the six months ended 30 September 2011 and 2012 in New Zealand dollars:

	SIX MONTHS EN	NDED 30 SEPTEMBER
	2011 NZ\$000'S	2012 NZ\$000'S
Operating revenue Cost of sales	251,977	266,940
COST OF SaleS	119,603	121,982
Gross profit	132,374	144,958
Gross margin	52.5%	54.3%
Other income	1,200	1,200
Selling, general and administrative expenses	72,346	76,971
Research and development expenses	19,850	21,335
Total operating expenses	92,196	98,306
Operating profit before financing costs	41,378	47,852
Operating margin	16.4%	17.9%
Net financing expense	1,029	649
Profit before tax	40,349	47,203
Tax expense	12,078	13,951
Profit after tax	28,271	33,252

FOREIGN EXCHANGE EFFECTS

The company is exposed to movements in foreign exchange rates, with approximately 51% of operating revenue generated in US dollars, 22% in Euros, 7% in Australian dollars, 5% in Japanese yen, 4% in British pounds, 4% in Canadian dollars, 2% in New Zealand dollars and 5% in other currencies.

As the number of direct sales operations increases, an increasing proportion of the company's revenue is generated in local currencies, reducing operating revenue exposure to the US dollar. In the first half of the current year the proportion of revenue which was generated in US dollars has reduced from 52% to 51%. The company's cost base is also becoming more diverse, as manufacturing output from Mexico increases.

Exchange rates between the New Zealand dollar and the currencies in which the company receive revenue remained elevated during the period, with the New Zealand dollar appreciating substantially against the Euro when compared to the same period last year. Foreign exchange hedging gains contributed NZ\$21.2 million (2011: NZ\$22.2 million) to operating profit.

The average daily spot rate and the average effective exchange rate (i.e. the accounting rate, incorporating the benefit of forward exchange contracts entered into by the company in respect of the relevant financial year) of the main foreign currency exposures for the six months ended 30 September 2011 and 2012 are set out in the table below:

		GE DAILY SPOT RATE IDED 30 SEPTEMBER		TIVE EXCHANGE RATE NDED 30 SEPTEMBER
	2011	2012	2011	2012
USD EUR	0.8165 0.5728	0.7996 0.6313	0.6761 0.4871	0.6818 0.5118

The effect of balance sheet translations of offshore assets and liabilities for the six months ended 30 September 2012 resulted in a reduction in operating revenue of NZ\$1.2 million (2011: NZ\$1.3 million) and a reduction in operating profit of NZ\$1.4 million (2011: NZ\$1.5 million).

CONSTANT CURRENCY ANALYSIS

A constant currency income statement is prepared each month to enable the board and management to monitor and assess the company's underlying financial performance without any distortion from changes in foreign exchange rates. The table below provides estimated NZ dollar income statements for the relevant periods, which have all been restated at the budget foreign exchange rates for the 2013 financial year but after excluding the impact of movements in foreign exchange rates, hedging results and balance sheet translations.

This constant currency analysis is non-conforming financial information, as defined by the NZ Financial Markets Authority, and has been provided to assist users of financial information to better understand and assess the company's financial performance without the impacts of spot foreign currency fluctuations and hedging results and has been prepared on a consistent basis each half year.

CONSTANT CURRENCY	SIX MONTHS ENDED	SIX MONTHS ENDED	VARIATION 2010	SIX MONTHS ENDED	VARIATION 2011
INCOME STATEMENTS	30 SEPTEMBER	30 SEPTEMBER	TO	30 SEPTEMBER	ТО
(UNAUDITED)	2010 NZ\$000	2011 NZ\$000	2011 %	2012 NZ\$000	2012 %
Operating revenue	206,718	229,049	+11	247,454	+8
Cost of sales	105,417	118,614	+13	121,387	+2
Gross profit	101,301	110,435	+9	126,067	+14
Other income	_	1,200	_	1,200	_
Selling, general and administrative expenses	70,309	72,210	+3	77,437	+7
Research & development expenses	18,558	19,850	+7	21,335	+7
Total operating expenses	88,867	92,060	+4	98,772	+7
Operating profit	12,434	19,575	+57	28,495	+46
Financing expenses (net)	2,204	2,237	+1	1,514	-32
Profit before tax	10,230	17,338	+69	26,981	+56

The significant exchange rates used in the constant currency analysis, being the budget exchange rates for the year ending 31 March 2013, are USD 0.80, EUR 0.62, AUD 0.77, GBP 0.52, CAD 0.82, JPY 63 and MXN 10.60.

In constant currency terms, operating revenue increased by 8% and operating profit increased by 46% for the six months, due to operating leverage generated from disciplined expense control, positive contributions from Mexico manufacturing, other logistics benefits and from direct sales operations established over the past few years.

A reconciliation of the constant currency income statements above to the actual income statements for each half year is provided below.

		SIX MONTHS EN	NDED 30 SEPTEMBER
RECONCILIATION OF CONSTANT CURRENCY TO ACTUAL INCOME STATEMENTS (UNAUDITED)	2010 NZ\$000	2011 NZ\$000	2012 NZ\$000
Profit before tax (constant currency)	10,230	17,338	26,981
Spot exchange rate effect	15,025	1,156	(421)
Foreign exchange hedging result	16,488	22,150	21,212
Balance sheet revaluation	(368)	(295)	(569)
Profit before tax (as reported)	41,375	40,349	47,203

The reconciliation set out above illustrates that, when comparing the NZ dollar profit before tax shown in the actual income statement for the half year to 30 September 2012 with the corresponding period for the prior year:

- the movement in average daily spot exchange rates had an adverse impact of \$1.6 million;
- the benefit from the company's foreign exchange hedging activities, while very substantial, was lower by \$0.9 million;
- the adverse impact from the revaluation of assets and liabilities held overseas was \$0.3 million; and
- overall, the net adverse effect of movements in exchange rates and the hedging programme was \$2.8 million.

OPERATING REVENUE

Operating revenue increased by 6% to NZ\$266.9 million for the six months ended 30 September 2012 from NZ\$252.0 million for the six months ended 30 September 2011, principally due to increased sales volume.

The following table sets out operating revenue by product group for the six months ended 30 September 2011 and 2012:

	SIX MONTHS E	NDED 30 SEPTEMBER
	2011 NZ\$000'S	2012 NZ\$000'S
Respiratory and acute care products	131,380	142,938
OSA products	113,597	114,217
Core products sub-total	244,977	257,155
Distributed and other products	7,000	9,785
Total	251,977	266,940

Underlying growth in demand for respiratory humidification systems was strong throughout the first six months. This resulted in total operating revenue of NZ\$142.9 million for the respiratory and acute care product group, being growth of 9% in NZ dollars, and 11% in constant currency terms, compared with the corresponding period last year.

Expansion of the application of products and technologies to the care of patients beyond the company's traditional invasive ventilation market continued, with an increasing proportion of consumables revenue coming from devices used in non-invasive ventilation, oxygen therapy, humidity therapy and laparoscopic surgery. Constant currency revenue for these new applications grew 20% for the six months ended 30 September 2012 and in total represented 36% of respiratory and acute care consumables revenue.

Very strong revenue growth in consumables and accessories was supported by strong growth in demand for humidifier controllers despite the current international economic climate.

In the respiratory and acute care group, underlying average sell prices were supported by some modest selling price increases.

OSA product group operating revenue increased 1% to NZ\$114.2 million, and 3% in constant currency terms for the six months. Constant currency mask revenue grew 5% for the first six months, and increased 11% in the second quarter as the new Pilairo and Eson masks gained market share. ICON flow generator revenue grew 5% in constant currency, over the first six months, however sales of the SleepStyle flow generators declined as expected, resulting in constant currency flow generator operating revenue declining by 2%.

Sales of respiratory and acute care products represented 52% and 54% of operating revenue for the six months ended 30 September 2011 and 2012 respectively. Sales of OSA products represented 45% and 43% of operating revenue for the first six months ended 30 September 2011 and 2012 respectively. Sales of consumable and accessory products for core products accounted for approximately 74% and 76% of operating revenue for the six months ended 30 September 2011 and 2012 respectively.

The following table sets out operating revenue for each of our regional markets for the six months ended 30 September 2011 and 2012:

	SIX MONTHS E	NDED 30 SEPTEMBER
	2011 NZ\$000'S	2012 NZ\$000'S
North America	114,949	116,644
Europe	81,220	84,629
Asia Pacific	45,235	52,055
Other	10,573	13,612
Total	251,977	266,940

The breakdown of revenue presented above is based on the geographical location of the customer and is inclusive of foreign exchange gains.

EXPENSES

Research and development activities are primarily conducted in New Zealand. Research and development expenses totalled NZ\$21.3 million for the six months ended 30 September 2012 compared to NZ\$19.9 million in the corresponding period last financial year. The increase was attributable to increases in research and development personnel and costs in connection with the continuing expansion of product and process development activities for the respiratory and acute care and OSA product groups. A number of new products have recently been released to the market, with more to follow during the balance of the 2013 financial year. Research and development expenses represented 8.0% of operating revenue for the six months ended 30 September 2012.

Research and development expenses are expected to continue to increase broadly in line with constant currency revenue growth.

Selling, general and administrative expenses increased by 6% to NZ\$77.0 million for the six months ended 30 September 2012 compared to NZ\$72.3 million in the corresponding period last financial year. This increase was primarily attributable to an increase in global personnel to support our growing international sales and marketing activities. In constant currency terms selling, general and administrative expenses have increased by 7% for the six months ended 30 September 2012.

GROSS PROFIT

Gross profit increased to NZ\$145.0 million, or 54.3% of operating revenue, for the six months ended 30 September 2012 from NZ\$132.4 million, or 52.5% of operating revenue, in the six months ended 30 September 2011. Constant currency gross margin percentage increased due to a number of factors, including positive RAC and OSA product mixes, logistics and manufacturing improvements, including the contribution from our Mexico manufacturing facility.

OPERATING PROFIT

Operating profit increased by 16% to NZ\$47.9 million for the six months ended 30 September 2012 from NZ\$41.4 million for the six months ended 30 September 2011.

In constant currency terms, operating profit increased by 46%.

BALANCE SHEET

Gearing² at 30 September was 31.5%, higher than the 26.4% gearing at 31 March 2012. The increase in gearing relates to the increase in capital expenditure in relation to the construction of the third building on the company's Auckland site. Capital expenditure in relation to the new building is substantially complete and gearing is expected to track towards our target range over coming years.

The gearing figure remains above the target range of 5% to 15%. As previously noted the directors intend to ensure that the company progressively moves its gearing into the target range, subject to exchange rate movements, profitability and dividend payout.

FUNDING

The company had total available committed debt funding of \$193 million as at 30 September 2012, of which approximately \$54 million was undrawn, and cash on hand of \$5 million. Bank debt facilities provide all available funding given the modest level of requirements. Over the next 12 months \$73 million of debt facilities will mature. Replacement facilities have been secured as of 1 November 2012. As at 1 November 2012, the weighted average maturity of borrowing facilities will be 3.2 years (excluding the facilities maturing in December 2012).

DEBT MATURITY

The average maturity of the debt of \$128 million was 1.1 years and the currency split was 70% New Zealand dollars; 14% US dollars; 11% Euros; 3% Australian dollars and 2% Canadian dollars.

INTEREST RATES

Approximately 62% of all borrowings were at fixed interest rates with an average duration of 5.3 years and an average rate of 5.9%. Inclusive of floating rate borrowings the average interest rate on the debt is currently 4.9%. All interest rates are inclusive of margins but not fees.

Interest coverage for the period was 18 times and the group remains in a sound financial position.

The interest coverage for the period included interest capitalised to the new building project of \$2.0 million for the period compared to \$0.7 million for the corresponding period last year.

CASHFLOW

Cashflow from operations was \$32.3 million compared with \$43.1 million for the six months ended 30 September 2011. The reduction was mainly related to the monetisation of USD forward exchange contracts in the first half of the 2012 financial year. Underlying cashflow from operations was positive and broadly in line with the operating profit improvement.

Capital expenditure for the period was \$40.9 million compared with \$27.3 million in the prior corresponding period. Of this total, \$27.4 million was for the new building project on our East Tamaki, Auckland site, and the balance related predominantly to new product tooling and manufacturing equipment.

² Net interest-bearing debt (debt less cash and cash equivalents) to net interest-bearing debt and equity (less cash flow hedge reserve – unrealised)

DIVIDEND

The directors have approved an interim dividend for the financial year ending 31 March 2013 of NZ5.4 cents per ordinary share (2012: NZ5.4 cents), and will be fully imputed at a rate of 28%.

The interim dividend will be paid on 14 December 2012, with a record date of 3 December 2012 and an ex-dividend date of 27 November 2012 for the ASX and 29 November 2012 for the NZSX.

DIVIDEND REINVESTMENT PLAN

The dividend reinvestment plan is being offered for this dividend payment.

A 3% discount will be applied to shares issued under the plan.

FINANCIAL HIGHLIGHTS

	SIX MONTHS ENDED 30 SEPTEMBER		
UNAUDITED	2011 NZ\$000'S	2012 NZ\$000'S	
Pre-tax return on average shareholders' equity (annualised)	25.9%	26.9%	
Earnings per share (cents)	5.4	6.2	
Dividends (interim proposed) per share (cents)	5.4	5.4	
Gearing	27.2%	31.5%	
Interest cover (times)	23.7	18.3	

FOREIGN EXCHANGE HEDGING POSITION

The hedging position for our main exposures, the US dollar and Euro, as at the date of this report is:

SIX MONTH	IS TO 31 MARCH	YEAR	TO 31 MARCH	
	2013	2014	2015	2016
USD % cover of expected exposure	95%	45%	11%	0%
USD average rate of cover	0.76	0.74	0.74	_
USD Close-out value to Income Statement (NZD000's) ³	\$9,930	\$21,291	\$0	\$0
EUR % cover of expected exposure	95%	56%	36%	5%
EUR average rate of cover	0.51	0.43	0.41	0.37

³ Foreign currency hedging gains to be released to the Income Statement from the Cash Flow Reserve-Realised from previously monetised USD forward exchange contracts.



Independent Accountants' Report

to the shareholders of Fisher & Paykel Healthcare Corporation Limited

Report on the Interim Financial Statements

We have reviewed the interim condensed financial statements ("financial statements") of Fisher & Paykel Healthcare Corporation Limited (the "Company") and its controlled entities (the "Group") on pages 16 to 34, which comprise the consolidated balance sheet as at 30 September 2012, the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Interim Financial Statements

The Company's Directors are responsible for the preparation and presentation of the financial statements that present fairly the financial position of the Group as at 30 September 2012, and its financial performance and cash flows for the period ended on that date.

Accountants' Responsibility

We are responsible for reviewing the financial statements presented by 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 financial statements do not present fairly the matters to which they relate.

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 financial statements and, accordingly, we do not express an audit opinion.

We have reviewed the financial statements of the Group for the period ended 30 September 2012 in accordance with the Review Engagement Standards issued in New Zealand.

We have no relationship with, or interests in, Fisher & Paykel Healthcare Corporation or its subsidiaries other than in our capacities as accountants conducting this review, auditors and providers of advisory, tax and other assurance services. These services have not impaired our independence as accountants of the Group.



Independent Accountants' Report

Fisher & Paykel Healthcare Corporation Limited

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements which have been prepared in accordance with International Accounting Standard 34 and New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting do not present fairly the financial position of the Group as at 30 September 2012 and its financial performance and cash flows for the period ended on that date.

Restriction on Distribution or Use

Procenate brouse Coopes

This report is made solely to the Company's shareholders. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an accountants' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, for our review procedures, for this report or for the opinions we have formed.

Chartered Accountants

Auckland

22 November 2012

Consolidated Income Statement

		UNAUDITED	AUDITED	UNAUDITED
		SIX MONTHS	YEAR	SIX MONTHS
		ENDED	ENDED	ENDED
		30 SEPTEMBER	31 MARCH	30 SEPTEMBER
		2011	2012	2012
	NOTES	NZ\$000	NZ\$000	NZ\$000
Operating revenue	3	251,977	516,688	266,940
Cost of sales		(119,603)	(241,651)	(121,982)
Gross profit		132,374	275,037	144,958
Other income	4	1,200	2,400	1,200
Selling, general and administrative expenses		(72,346)	(142,644)	(76,971)
Research and development expenses		(19,850)	(41,988)	(21,335)
Total operating expenses		(92,196)	(184,632)	(98,306)
Operating profit before financing costs		41,378	92,805	47,852
Financing income		173	280	157
Financing expense		(2,578)	(4,334)	(1,667)
Exchange gain on foreign currency borrowings		1,376	3,566	861
Net financing (expense)		(1,029)	(488)	(649)
Profit before tax	5	40,349	92,317	47,203
Tax expense	6	(12,078)	(28,207)	(13,951)
Profit after tax		28,271	64,110	33,252
Basic earnings per share		5.4 cps	12.2 cps	6.2 cps
Diluted earnings per share		5.2 cps	11.7 cps	6.0 cps
Weighted average basic ordinary shares outstanding		522,918,159	525,706,219	534,016,461
Weighted average diluted ordinary shares outstanding		542,985,967	546,509,548	555,427,041

Consolidated Statement of Comprehensive Income

Total comprehensive income	19,602	75,114	26,815
Other comprehensive income, net of tax	(8,669)	11,004	(6,437)
Revaluation of land	_	13,250	_
Tax on transfers to profit before tax	2,387	5,102	2,355
Transfers to profit before tax	(7,957)	(17,005)	(7,851)
Cash flow hedge reserve – realised			
Tax on changes in fair value and transfers to profit before tax	1,205	(3,756)	366
Transfers to profit before tax	(8,795)	(15,131)	(12,369)
Changes in fair value	4,491	28,544	11,062
Cash flow hedge reserve – unrealised			
Other comprehensive income			
Profit after tax	28,271	64,110	33,252
	NZ\$000	NZ\$000	NZ\$000
	2011	2012	2012
	30 SEPTEMBER	31 MARCH	30 SEPTEMBER
	ENDED	ENDED	ENDED
	SIX MONTHS	YEAR	SIX MONTHS
	UNAUDITED	AUDITED	UNAUDITED

Consolidated Statement of Changes in Equity

	SHARE CAPITAL NZ\$000	TREASURY SHARES NZ\$000	RETAINED EARNINGS NZ\$000	ASSET REVALUATION RESERVE NZ\$000	CASH FLOW HEDGE RESERVE UNREALISED NZ\$000	CASH FLOW HEDGE RESERVE REALISED NZ\$000	EMPLOYEE SHARE ENTITLEMENT RESERVE NZ\$000	EMPLOYEE SHARE OPTION RESERVE NZ\$000	TOTAL EQUITY NZ\$000
Unaudited									
		4							
Balance at 31 March 2011	40,783	(2,064)	184,720	10,850	54,019	22,269	153	2,561	313,291
Total comprehensive income	_	-	28,271	-	(3,099)	(5,570)	-	_	19,602
Dividends paid	_	_	(36,433)	_	_	_	_	_	(36,433)
Financial instruments monetised, net of tax	_	_	_	-	(17,455)	17,455	_	_	_
Issue of share capital under dividend reinvestment plan	12,820	_	_	_	_	_	_	_	12,820
Issue of share capital	105	_	_	_	_	_	_	_	105
Movement in employee share entitlement reserve	_	_	_	_	_	_	72	_	72
Movement in employee share option reserve	_	_	_	_	_	_	_	226	226
Movement in treasury shares	_	3	_	-	-	_	_	_	3
Increase in share capital under share option schemes for employee services	_	_	_	_	_	_	_	_	_
Employee share scheme shares issued for employee services	_	_	_	-	_	_	_	_	_
Balance at 30 September 2011	53,708	(2,061)	176,558	10,850	33,465	34,154	225	2,787	309,686

Consolidated Statement of Changes in Equity continued

	SHARE CAPITAL	TREASURY SHARES	RETAINED EARNINGS	ASSET REVALUATION RESERVE	CASH FLOW HEDGE RESERVE UNREALISED	CASH FLOW HEDGE RESERVE REALISED	EMPLOYEE SHARE ENTITLEMENT RESERVE	EMPLOYEE SHARE OPTION RESERVE	TOTAL EQUITY
	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000
Audited									
Balance at 31 March 2011	40,783	(2,064)	184,720	10,850	54,019	22,269	153	2,561	313,291
Total comprehensive income	-	-	64,110	13,250	9,657	(11,903)	-	-	75,114
Dividends paid	_	_	(64,804)	-	_	_	-	_	(64,804)
Financial instruments monetised, net of tax	_	_	_	_	(17,470)	17,470	_	_	_
Issue of share capital under dividend reinvestment plan	23,558	_	_	_	_	-	_	_	23,558
Issue of share capital	200	_	-	_	_	_	-	_	200
Movement in employee share entitlement reserve	_	_	_	_	_	-	139	_	139
Movement in employee share option reserve	-	_	_	-	_	-	_	(174)	(174)
Movement in treasury shares	-	18	-	-	-	-	-	-	18
Increase in share capital under share option schemes for employee services	763	_	_	_	_	_	_	_	763
Employee share scheme shares issued for employee services	47	_	_	_	_	_	_	_	47
Balance at 31 March 2012	65,351	(2,046)	184,026	24,100	46,206	27,836	292	2,387	348,152
Unaudited									
Total comprehensive income	_	_	33,252	_	(941)	(5,496)	_	_	26,815
Dividends paid	_	_	(37,103)	_	_	_	_	_	(37,103)
Financial instruments monetised, net of tax	_	_	_	_	_	_	_	_	_
Issue of share capital under dividend reinvestment plan	14,612	_	_	_	_	_	_	_	14,612
Issue of share capital	128	_	-	_	_	-	_	_	128
Movement in employee share entitlement reserve	_	_	_	_	_	_	(149)	_	(149)
Movement in employee share option reserve	-	_		_	_	_	_	201	201
Movement in treasury shares	-	474	-	_	-	-	-	_	474
Increase in share capital under share option schemes for employee services	_	_	_	_	_	_	_	_	_
Employee share scheme shares issued for employee services	487	_	_	_	_	_	_	_	487
Balance at 30 September 2012	80,578	(1,572)	180,175	24,100	45,265	22,340	143	2,588	353,617

Consolidated Balance Sheet

Current assets Cash and cash equivalents 7,523 6,253 5,055 Trade and other receivables 7 82,093 77,130 79,112 Inventories 8 83,354 84,430 94,346 Derivative financial instruments 16 22,566 26,712 321,69 Tax receivable 2,066 506 208 Total current assets 197,602 195,031 210,890 Non-current assets 271,063 311,631 339,324 Intangible assets 5,501 6,426 7,917 Other receivables 7 1,425 1,809 1,471 Other geria tax asset 11 9,882 9,656 10,594 Total assets <th></th> <th></th> <th></th> <th></th> <th></th>					
NOTES NZ5000 NZ50000 NZ5000 NZ50000 NZ50000 NZ50000 NZ50000 NZ50000 NZ5000000 NZ5000000 NZ5000000000000000000000000000000000000					
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ASSETS Current assets Current lasilities LIABILITIES Current labilities LIABILITIES LIABILITIES Current labilities LIABILITIES LIABILITIES LIABILITIES Current labilities LIABILITIES LIABILITIE LIABILITIES LIABILITIES LIABILITIES LIABILITIES LIABILITIE					
Current assets Cash and cash equivalents 7,523 6,253 5,055 Trade and other receivables 7 82,093 77,130 79,112 Inventories 8 83,3554 84,430 94,346 Derivative financial instruments 16 22,566 26,712 321,69 Tax receivable 2,066 506 208 Total current assets 197,602 195,031 210,890 Non-current assets 271,063 311,631 339,324 Intangible assets 5,501 6,426 7,917 Other receivables 7 1,425 1,809 1,471 Other green data assets 11 9,882 9,656 10,594 Total assets		NOTES	NZ\$000	NZ\$000	NZ\$000
Cash and cash equivalents 7,523 6,253 5,055 Trade and other receivables 7 82,093 77,130 79,112 Inventories 8 83,354 84,430 94,346 Derivative financial instruments 16 22,566 26,712 32,169 Tax receivable 2,066 506 208 Total current assets 197,602 195,031 210,890 Non-current assets Froperty, plant and equipment 271,063 311,631 339,324 Intangible assets 5,501 6,426 7,917 Other receivables 7 1,425 1,809 1,471 Derivative financial instruments 16 38,391 47,501 42,800 Deferred tax asset 11 9,882 9,656 10,594 Total assets 523,864 572,054 612,996 LIABILITIES Current liabilities Interest-bearing liabilities 9 16,568 80,230 89,178	ASSETS				
Trade and other receivables 7 82,093 77,130 79,112 Inventories 8 83,354 84,430 94,346 Derivative financial instruments 16 22,566 26,712 32,169 Tax receivable 2,066 506 208 Total current assets 197,602 195,031 210,890 Non-current assets 271,063 311,631 339,324 Intangible assets 5,501 6,426 7,917 Other receivables 7 1,425 1,809 1,471 Derivative financial instruments 16 38,391 47,501 42,800 Deferred tax asset 11 9,882 9,656 10,594 Total assets 523,864 572,054 612,996 LIABILITIES 2 16,568 80,230 89,178 Trade and other payables 10 56,316 60,868 61,521 Provisions 3,033 2,580 2,461 Tax payable 5,733 4,515 4,367	Current assets				
Numertories	Cash and cash equivalents		7,523	6,253	5,055
Derivative financial instruments 16 22,566 26,712 32,169 Tax receivable 2,066 506 208 Total current assets 197,602 195,031 210,890 Non-current assets 27 1,633 311,631 339,324 Intangible assets 5,501 6,426 7,917 Other receivables 7 1,425 1,809 1,471 Derivative financial instruments 16 38,991 47,501 42,800 Deferred tax asset 11 9,882 9,656 10,594 Total assets 523,864 572,054 612,996 LLABILITIES Current liabilities 80,230 89,178 Interest-bearing liabilities 9 16,568 80,230 89,178 Trade and other payables 10 56,316 60,868 61,521 Provisions 3,033 2,580 2,461 Tax payable 5,733 4,515 4,367 Derivative financial instruments 16 3,433 2,4	Trade and other receivables	7	82,093	77,130	79,112
Tax receivable 2,066 506 208 Total current assets 197,602 195,031 210,890 Non-current assets Property, plant and equipment 271,063 311,631 339,324 Intangible assets 5,501 6,426 7,917 Other receivables 7 1,425 1,809 1,471 Derivative financial instruments 16 38,391 47,501 42,800 Deferred tax asset 11 9,882 9,656 10,594 Total assets 523,864 572,054 612,996 LIABILITES Current liabilities 9 16,568 80,230 89,178 Trade and other payables 10 56,316 60,868 61,521 Provisions 3,033 2,580 2,461 Tax payable 5,733 4,515 4,367 Derivative financial instruments 16 3,433 2,430 2,582 Total current liabilities 9 94,121 34,511 57,369<	Inventories	8	83,354	84,430	94,346
Non-current assets 197,602 195,031 210,890	Derivative financial instruments	16	22,566	26,712	32,169
Non-current assets Property, plant and equipment 271,063 311,631 339,324 Intangible assets 5,501 6,426 7,917 Other receivables 7 1,425 1,809 1,471 Derivative financial instruments 16 38,391 47,501 42,800 Deferred tax asset 11 9,882 9,656 10,594 Total assets 523,864 572,054 612,996 LIABILITIES Current liabilities Interest-bearing liabilities 9 16,568 80,230 89,178 Trade and other payables 10 56,316 60,868 61,521 Provisions 3,033 2,580 2,461 Tax payable 5,733 4,515 4,367 Derivative financial instruments 16 3,433 2,430 2,582 Total current liabilities 85,083 150,623 160,109 Non-current liabilities Interest-bearing liabilities 9 94,121	Tax receivable		2,066	506	208
Property, plant and equipment 271,063 311,631 339,324 Intangible assets 5,501 6,426 7,917 Other receivables 7 1,425 1,809 1,471 Derivative financial instruments 16 38,391 47,501 42,800 Deferred tax asset 11 9,882 9,656 10,594 Total assets 523,864 572,054 612,996 LIABILITIES Current liabilities Interest-bearing liabilities 9 16,568 80,230 89,178 Trade and other payables 10 56,316 60,868 61,521 Provisions 3,033 2,580 2,461 Tax payable 5,733 4,515 4,367 Derivative financial instruments 16 3,433 2,430 2,582 Total current liabilities Interest-bearing liabilities 9 94,121 34,511 57,369 Provisions 2,117 1,851 2,295 <td>Total current assets</td> <td></td> <td>197,602</td> <td>195,031</td> <td>210,890</td>	Total current assets		197,602	195,031	210,890
Intangible assets 5,501 6,426 7,917 Other receivables 7 1,425 1,809 1,471 Derivative financial instruments 16 38,391 47,501 42,800 Deferred tax asset 11 9,882 9,656 10,594 Total assets 523,864 572,054 612,996 LIABILITIES	Non-current assets				
Other receivables 7 1,425 1,809 1,471 Derivative financial instruments 16 38,391 47,501 42,800 Deferred tax asset 11 9,882 9,656 10,594 Total assets 523,864 572,054 612,996 LIABILITIES Current liabilities Interest-bearing liabilities 9 16,568 80,230 89,178 Trade and other payables 10 56,316 60,868 61,521 Provisions 3,033 2,580 2,461 Tax payable 5,733 4,515 4,367 Derivative financial instruments 16 3,433 2,430 2,582 Total current liabilities Interest-bearing liabilities 9 94,121 34,511 57,369 Provisions 2,117 1,851 2,295 Other payables 10 6,167 6,211 7,257 Derivative financial instruments 16 7,569 6,419 <td>Property, plant and equipment</td> <td></td> <td>271,063</td> <td>311,631</td> <td>339,324</td>	Property, plant and equipment		271,063	311,631	339,324
Derivative financial instruments 16 38,391 47,501 42,800 Deferred tax asset 11 9,882 9,656 10,594 Total assets 523,864 572,054 612,996 LIABILITIES Current liabilities Interest-bearing liabilities 9 16,568 80,230 89,178 Trade and other payables 10 56,316 60,868 61,521 Provisions 3,033 2,580 2,461 Tax payable 5,733 4,515 4,367 Derivative financial instruments 16 3,433 2,430 2,582 Total current liabilities 85,083 150,623 160,109 Non-current liabilities 9 94,121 34,511 57,369 Provisions 2,117 1,851 2,295 Other payables 10 6,167 6,211 7,257 Derivative financial instruments 16 7,569 6,419 8,309 Deferred tax liability 11 19,1	Intangible assets		5,501	6,426	7,917
Deferred tax asset 11 9,882 9,656 10,594 Total assets 523,864 572,054 612,996 LIABILITIES Current liabilities Interest-bearing liabilities 9 16,568 80,230 89,178 Trade and other payables 10 56,316 60,868 61,521 Provisions 3,033 2,580 2,461 Tax payable 5,733 4,515 4,367 Derivative financial instruments 16 3,433 2,430 2,582 Total current liabilities 85,083 150,623 160,109 Non-current liabilities 9 94,121 34,511 57,369 Provisions 2,117 1,851 2,295 Other payables 10 6,167 6,211 7,257 Derivative financial instruments 16 7,569 6,419 8,309 Deferred tax liability 11 19,121 24,287 24,040	Other receivables	7	1,425	1,809	1,471
Total assets 523,864 572,054 612,996 LIABILITIES Current liabilities Interest-bearing liabilities 9 16,568 80,230 89,178 Trade and other payables 10 56,316 60,868 61,521 Provisions 3,033 2,580 2,461 Tax payable 5,733 4,515 4,367 Derivative financial instruments 16 3,433 2,430 2,582 Total current liabilities 85,083 150,623 160,109 Non-current liabilities 9 94,121 34,511 57,369 Provisions 2,117 1,851 2,295 Other payables 10 6,167 6,211 7,257 Derivative financial instruments 16 7,569 6,419 8,309 Deferred tax liability 11 19,121 24,287 24,040	Derivative financial instruments	16	38,391	47,501	42,800
LIABILITIES Current liabilities Interest-bearing liabilities 9 16,568 80,230 89,178 Trade and other payables 10 56,316 60,868 61,521 Provisions 3,033 2,580 2,461 Tax payable 5,733 4,515 4,367 Derivative financial instruments 16 3,433 2,430 2,582 Total current liabilities 85,083 150,623 160,109 Non-current liabilities 9 94,121 34,511 57,369 Provisions 2,117 1,851 2,295 Other payables 10 6,167 6,211 7,257 Derivative financial instruments 16 7,569 6,419 8,309 Deferred tax liability 11 19,121 24,287 24,040	Deferred tax asset	11	9,882	9,656	10,594
Current liabilities Interest-bearing liabilities 9 16,568 80,230 89,178 Trade and other payables 10 56,316 60,868 61,521 Provisions 3,033 2,580 2,461 Tax payable 5,733 4,515 4,367 Derivative financial instruments 16 3,433 2,430 2,582 Total current liabilities 85,083 150,623 160,109 Non-current liabilities 9 94,121 34,511 57,369 Provisions 2,117 1,851 2,295 Other payables 10 6,167 6,211 7,257 Derivative financial instruments 16 7,569 6,419 8,309 Deferred tax liability 11 19,121 24,287 24,040	Total assets		523,864	572,054	612,996
Interest-bearing liabilities 9 16,568 80,230 89,178 Trade and other payables 10 56,316 60,868 61,521 Provisions 3,033 2,580 2,461 Tax payable 5,733 4,515 4,367 Derivative financial instruments 16 3,433 2,430 2,582 Total current liabilities 85,083 150,623 160,109 Non-current liabilities 9 94,121 34,511 57,369 Provisions 2,117 1,851 2,295 Other payables 10 6,167 6,211 7,257 Derivative financial instruments 16 7,569 6,419 8,309 Deferred tax liability 11 19,121 24,287 24,040	LIABILITIES				
Trade and other payables 10 56,316 60,868 61,521 Provisions 3,033 2,580 2,461 Tax payable 5,733 4,515 4,367 Derivative financial instruments 16 3,433 2,430 2,582 Total current liabilities 85,083 150,623 160,109 Non-current liabilities 9 94,121 34,511 57,369 Provisions 2,117 1,851 2,295 Other payables 10 6,167 6,211 7,257 Derivative financial instruments 16 7,569 6,419 8,309 Deferred tax liability 11 19,121 24,287 24,040	Current liabilities				
Provisions 3,033 2,580 2,461 Tax payable 5,733 4,515 4,367 Derivative financial instruments 16 3,433 2,430 2,582 Total current liabilities 85,083 150,623 160,109 Non-current liabilities 9 94,121 34,511 57,369 Provisions 2,117 1,851 2,295 Other payables 10 6,167 6,211 7,257 Derivative financial instruments 16 7,569 6,419 8,309 Deferred tax liability 11 19,121 24,287 24,040	Interest-bearing liabilities	9	16,568	80,230	89,178
Tax payable 5,733 4,515 4,367 Derivative financial instruments 16 3,433 2,430 2,582 Total current liabilities 85,083 150,623 160,109 Non-current liabilities 9 94,121 34,511 57,369 Provisions 2,117 1,851 2,295 Other payables 10 6,167 6,211 7,257 Derivative financial instruments 16 7,569 6,419 8,309 Deferred tax liability 11 19,121 24,287 24,040	Trade and other payables	10	56,316	60,868	61,521
Derivative financial instruments 16 3,433 2,430 2,582 Total current liabilities 85,083 150,623 160,109 Non-current liabilities Value Value <td>Provisions</td> <td></td> <td>3,033</td> <td>2,580</td> <td>2,461</td>	Provisions		3,033	2,580	2,461
Non-current liabilities 85,083 150,623 160,109 Non-current liabilities 9 94,121 34,511 57,369 Provisions 2,117 1,851 2,295 Other payables 10 6,167 6,211 7,257 Derivative financial instruments 16 7,569 6,419 8,309 Deferred tax liability 11 19,121 24,287 24,040	Tax payable		5,733	4,515	4,367
Non-current liabilities Interest-bearing liabilities 9 94,121 34,511 57,369 Provisions 2,117 1,851 2,295 Other payables 10 6,167 6,211 7,257 Derivative financial instruments 16 7,569 6,419 8,309 Deferred tax liability 11 19,121 24,287 24,040	Derivative financial instruments	16	3,433	2,430	2,582
Interest-bearing liabilities 9 94,121 34,511 57,369 Provisions 2,117 1,851 2,295 Other payables 10 6,167 6,211 7,257 Derivative financial instruments 16 7,569 6,419 8,309 Deferred tax liability 11 19,121 24,287 24,040	Total current liabilities		85,083	150,623	160,109
Provisions 2,117 1,851 2,295 Other payables 10 6,167 6,211 7,257 Derivative financial instruments 16 7,569 6,419 8,309 Deferred tax liability 11 19,121 24,287 24,040	Non-current liabilities				
Provisions 2,117 1,851 2,295 Other payables 10 6,167 6,211 7,257 Derivative financial instruments 16 7,569 6,419 8,309 Deferred tax liability 11 19,121 24,287 24,040	Interest-bearing liabilities	9	94,121	34,511	57,369
Derivative financial instruments 16 7,569 6,419 8,309 Deferred tax liability 11 19,121 24,287 24,040	Provisions		2,117	1,851	2,295
Derivative financial instruments 16 7,569 6,419 8,309 Deferred tax liability 11 19,121 24,287 24,040	Other payables	10	6,167	6,211	7,257
	Derivative financial instruments	16	7,569	6,419	
Total liabilities 214,178 223,902 259,379	Deferred tax liability	11	19,121	24,287	24,040
	Total liabilities		214,178	223,902	259,379

Consolidated Balance Sheet continued

	NOTES	UNAUDITED 30 SEPTEMBER 2011 NZ\$000	AUDITED 31 MARCH 2012 NZ\$000	UNAUDITED 30 SEPTEMBER 2012 NZ\$000
EQUITY				
Share capital		53,708	65,351	80,578
Treasury shares		(2,061)	(2,046)	(1,572)
Retained earnings		176,558	184,026	180,175
Asset revaluation reserve		10,850	24,100	24,100
Cash flow hedge reserve – unrealised		33,465	46,206	45,265
Cash flow hedge reserve – realised	16	34,154	27,836	22,340
Employee share entitlement reserve		225	292	143
Employee share option reserve		2,787	2,387	2,588
Total equity		309,686	348,152	353,617
Total liabilities and equity		523,864	572,054	612,996

On behalf of the Board 22 November 2012

A J CARTER CHAIRMAN MICHAEL DANIELL
MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER

Consolidated Statement of Cash Flows

		UNAUDITED	AUDITED	UNAUDITED
	NOTES	SIX MONTHS	YEAR	SIX MONTHS
		ENDED	ENDED	ENDED
		30 SEPTEMBER	31 MARCH	30 SEPTEMBER
		2011	2012	2012
		NZ\$000	NZ\$000	NZ\$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers		249,722	503,975	257,393
Receipts from derivative financial instruments monetised		20,597	24,264	_
Interest received		133	272	156
Payments to suppliers and employees		(211,268)	(405,898)	(213,253)
Tax paid		(14,294)	(24,427)	(10,489)
Interest paid		(1,804)	(4,303)	(1,515)
Net cash flows from operations	15	43,086	93,883	32,292
CASH FLOWS (USED IN) INVESTING ACTIVITIES				
Sales of property, plant and equipment		9	33	24
Purchases of property, plant and equipment		(26,271)	(64,911)	(38,922)
Purchases of intangible assets		(1,057)	(2,597)	(2,018)
Net cash flows (used in) investing activities		(27,319)	(67,475)	(40,916)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES				
Employee share purchase schemes		161	563	226
Issue of share capital under dividend reinvestment plan		12,821	23,558	14,612
Issue of share capital		105	200	_
New borrowings		23,520	38,156	33,149
Repayment of borrowings		(11,161)	(16,828)	(5,223)
Dividends paid		(36,433)	(64,804)	(37,104)
Supplementary dividends paid to overseas shareholders		(3,014)	(5,397)	(2,852)
Net cash flows from (used in) financing activities		(14,001)	(24,552)	2,808
Net increase (decrease) in cash		1,766	1,856	(5,816)
Opening cash		(11,000)	(11,000)	(8,405)
Effect of foreign exchange rates		189	739	418
Closing cash		(9,045)	(8,405)	(13,803)
RECONCILIATION OF CLOSING CASH				
Cash and cash equivalents		7,523	6,253	5,055
Bank overdrafts	9	(16,568)	(14,658)	(18,858)
	-	(9,045)	(8,405)	(13,803)
		(7,047)	(0,40)	(15,005)

Notes to the Financial Statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

1. GENERAL INFORMATION

Fisher & Paykel Healthcare Corporation Limited (the "Company" or "Parent") together with its subsidiaries (the "Group") is a leading designer, manufacturer and marketer of medical device products and systems for use in respiratory care, acute care and the treatment of obstructive sleep apnea. Products are sold in over 120 countries worldwide.

The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 15 Maurice Paykel Place, East Tamaki, Auckland.

These consolidated interim financial statements were approved for issue by the Board of Directors on 22 November 2012, and have been reviewed, not audited.

2. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These general purpose financial statements for the six months ended 30 September 2012 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with NZ IAS 34 and IAS 34, *Interim Financial Reporting*. The Company and Group are designated as profit-oriented entities for financial reporting purposes.

Statutory base

The Company is registered under the Companies Act 1993 and is an issuer in terms of the Securities Act 1978 and the Financial Reporting Act 1993. The Company is also listed on the New Zealand Stock Exchange (NZX) and the Australian Stock Exchange (ASX).

These consolidated interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the audited financial statements for the year ended 31 March 2012, which have been prepared in accordance with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

All accounting policies have been applied on a basis consistent with those used in the audited financial statements for the year ended 31 March 2012, as described in those annual financial statements.

The following accounting standards and amendments to existing standards have been adopted by the Group in the six months ended 30 September 2012:

• Harmonisation Amendments set out amendments to NZ IFRSs as a result of proposals that were contained in Exposure Draft 121 Proposals to Harmonise Australian and New Zealand Standards in Relation to Entities Applying IFRSs as Adopted in Australia and New Zealand (ED 121) published in July 2010. It should be read in conjunction with FRS-44 New Zealand Additional Disclosures (FRS-44) which sets out the New Zealand "All Entity" disclosure requirements that are in addition to requirements in IFRSs which have been relocated to the separate disclosure standard.

The effective date of the amendments was for reporting periods beginning on or after 1 July 2011. There has been no impact to these financial statements from the application of these amendments.

Notes to the Financial Statements continued

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

Foreign exchange gain on hedged sales Total operating revenue	22,256 251,977	49,962 516,688	21,479 266,940
Foreign eychange gain on hodged cales	22.254	40.042	21 470
Total revenue before hedging	229,721	466,726	245,461
Other	9,492	20,079	12,400
Asia Pacific	44,077	90,326	50,926
Europe	73,518	153,294	75 , 672
North America	102,634	203,027	106,463
Revenue before hedging:			
3. OPERATING REVENUE			
	NZ\$000	NZ\$000	NZ\$000
	2011	2012	2012
	30 SEPTEMBER	31 MARCH	30 SEPTEMBER
	ENDED	ENDED	ENDED
	SIX MONTHS	YEAR	SIX MONTHS
	UNAUDITED	AUDITED	UNAUDITED

The breakdown of revenue before hedging presented above is based on the geographical location of the customer. This presentation is different to that shown in Note 18 as described in that note.

4. OTHER INCOME			
Technology development grant	1,200	2,400	1,200
	1,200	2,400	1,200
5. EXPENSES			
Profit before tax includes the following expenses:			
Depreciation	10,493	20,407	12,171
Amortisation:			
Patents and trademarks	614	1,176	562
Software	488	969	663
Total amortisation	1,102	2,145	1,225
Employee benefits expense	92,356	192,376	98,070
Rental expense	1,987	4,010	1,961
Trade receivables written off	33	224	101

The useful economic lives of certain building fit-out assets have been re-estimated in the current period. The impact of this change is to reduce the depreciation charge in the period in relation to these assets by \$0.7 million; the full year impact is estimated to be \$1.8 million assuming the revised lives were also adopted for the fit-out in the newly commissioned Paykel building.

During the period the Group issued Performance Share Rights to certain employees. The fair value of Share Rights granted is recognised as an expense in the income statement with a corresponding increase in the employee share option reserve. The fair value is measured at grant date and spread over the vesting period of 3 years. Subject to share performance over the vesting period by reference to a given index, eligible Share Rights entitle the holder to ordinary shares in the Company at a nil exercise price. The expense recognised for the period in relation to Performance Share Rights was \$28,000 and is included within employee benefits expense.

	UNAUDITED	AUDITED	UNAUDITED
	SIX MONTHS	YEAR	SIX MONTHS
	ENDED	ENDED	ENDED
	30 SEPTEMBER	31 MARCH	30 SEPTEMBER
	2011	2012	2012
	NZ\$000	NZ\$000	NZ\$000
6. TAX EXPENSE			
Profit before tax	40,349	92,317	47,203
Tax expense at the New Zealand rate of 28%	11,298	25,849	13,217
Adjustments to tax for:			
Non-assessable income	(33)	(220)	(49)
Non-deductible expenses	325	590	335
Tax at 30% on previously monetised financial instruments	160	340	156
Foreign tax rates other than 28%	114	847	191
Effect of foreign currency translations	215	567	101
Other	(1)	234	-
Total tax expense	12,078	28,207	13,951

Notes to the Financial Statements continued

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

	UNAUDITED	AUDITED	UNAUDITED	
	30 SEPTEMBER 2011	31 MARCH 2012	30 SEPTEMBER 2012	
	NZ\$000	NZ\$000	NZ\$000	
7. TRADE AND OTHER RECEIVABLES				
CURRENT				
Trade receivables	69,279	69,142	70,552	
Less provision for doubtful trade receivables	(937)	(1,066)	(1,051)	
	68,342	68,076	69,501	
Other receivables	13,751	9,054	9,611	
	82,093	77,130	79,112	
NON-CURRENT				
Other receivables	1,425	1,809	1,471	
	1,425	1,809	1,471	
8. INVENTORIES				
Materials	21,030	20,412	18,043	
Finished products	66,625	69,129	81,370	
Provision for obsolescence	(4,301)	(5,111)	(5,067)	
TOVISION TO OBSOLESCENCE	83,354	84,430	94,346	
9. INTEREST-BEARING LIABILITIES				
CURRENT Bank overdrafts	16,568	14,658	18,858	
Borrowings	10,500	65,572	70,320	
Donowings	16,568	80,230	89,178	
NON-CURRENT				
Borrowings	94,121	34,511	57,369	
	94,121	34,511	57,369	
10. TRADE AND OTHER PAYABLES				
CURRENT				
Trade payables	20,230	22,506	19,211	
Employee entitlements	22,807	22,463	25,092	
Other payables and accruals	13,279	15,899	17,218	
	56,316	60,868	61,521	
NON-CURRENT				
Employee entitlements	3,773	4,316	4,953	
Other payables and accruals	2,394	1,895	2,304	
	6,167	6,211	7,257	

	62,717	33,177	12,404
Between two and five years			
Between one and two years	2,612	740	801
Within one year	60,105	32,437	11,603
Capital expenditure commitments contracted for but not recognised as at the reporting date:			
12. CAPITAL EXPENDITURE COMMITMENTS			
	(9,239)	(14,631)	(13,446)
Deferred tax liability	(19,121)	(24,287)	(24,040)
Deferred tax asset	9,882	9,656	10,594
CLOSING BALANCE			
	9,129	3,737	1,185
Transfers to current tax on monetisation of financial instruments	6,788	6,794	_
Credited / (charged) to Other Comprehensive Income	1,205	(3,756)	366
MOVEMENTS Credited / (charged) to the Income Statement	1,136	699	819
	(18,368)	(18,368)	(14,631)
Deferred tax liability	(27,202)	(27,202)	(24,287)
Deferred tax asset	8,834	8,834	9,656
OPENING BALANCE			
11. DEFERRED TAX ASSET/LIABILITY			
	NZ\$000	NZ\$000	NZ\$000
	2011	2012	2012
	30 SEPTEMBER	31 MARCH	30 SEPTEMBER
	UNAUDITED	AUDITED	UNAUDITED

Capital expenditure commitments were significantly larger in the prior year as a result of the commitment to the third building on the East Tamaki site, as announced in December 2010.

13. OPERATING LEASE COMMITMENTS

Gross commitments under non-cancellable operating leases:

Within one year	4,893	4,638	4,276
Between one and two years	3,547	3,833	3,468
Between two and five years	3,983	4,091	3,706
Over five years	3,668	3,121	2,666
	16,091	15,683	14,116

Operating lease commitments relate mainly to occupancy leasing of buildings. There are no renewal options or options to purchase in respect of leases of plant and equipment.

14. CONTINGENT LIABILITIES

Periodically the Group is party to litigation including product liability and patent claims. To date such claims have been few in number and have been expensed or covered by our insurance. The Directors are unaware of the existence of any claim or other contingencies that would have a material impact on the operations of the Group.

Notes to the Financial Statements continued

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012

	UNAUDITED SIX MONTHS ENDED 30 SEPTEMBER 2011 NZ\$000	AUDITED YEAR ENDED 31 MARCH 2012 NZ\$000	UNAUDITED SIX MONTHS ENDED 30 SEPTEMBER 2012 NZ\$000
15. CASH FLOW RECONCILIATIONS			
Profit after tax	28,271	64,110	33,252
Add (deduct) non-cash items:			
Depreciation and writedown of property, plant and equipment to			
recoverable amount	10,493	20,407	12,171
Cash flow hedge gain from monetised instruments, net of tax	(5,570)	(11,904)	(5,496)
Amortisation of intangibles	1,102	2,145	1,225
Accrued financing income / expense	(8)	1	214
Movement in provisions	(191)	(910)	325
Movement in deferred tax asset / liability	(1,136)	(699)	(819)
Movement in foreign currency option contracts time value	712	369	(624)
Movement in working capital:			
Trade and other receivables	(2,359)	2,220	(1,644)
Inventory	(3,253)	(4,329)	(9,916)
Trade and other payables	(1,968)	3,667	736
Provision for tax net of supplementary dividend paid	3,394	6,119	3,002
Foreign currency translation	(3,856)	(4,783)	(134)
Add non-Income Statement items:			
Monetised cash flow hedges	17,455	17,470	-
Net cash flows from operations	43,086	93,883	32,292

	UNAUDITED 30 SEPTEMBER 2011			AUDITED 31 MARCH 2012		UDITED EMBER 2012
	ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES
	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000
16. DERIVATIVE FINANCIAL INSTRU	MENTS					
CURRENT						
Foreign currency forward exchange contracts	22,091	733	24,145	486	29,253	464
Foreign currency option contracts	475	792	2,567	32	2,905	_
Interest rate swaps	_	1,908	_	1,912	11	2,118
	22,566	3,433	26,712	2,430	32,169	2,582
NON-CURRENT						
Foreign currency forward exchange contracts	38,375	2,122	46,304	1,419	41,587	1,595
Foreign currency option contracts	16	72	1,197	-	1,166	_
Interest rate swaps	_	5,375		5,000	47	6,714
	38,391	7,569	47,501	6,419	42,800	8,309

Contractual amounts of forward exchange and option contracts outstanding were as follows:

		ALIBITED	IIII AII DIWED
	UNAUDITED	AUDITED	UNAUDITED
	30 SEPTEMBER	31 MARCH	30 SEPTEMBER
	2011	2012	2012
	NZ\$000	NZ\$000	NZ\$000
Purchase commitments forward exchange contracts	24,780	22,708	22,124
Sale commitments forward exchange contracts	391,552	354,291	368,948
Foreign currency borrowing forward exchange contracts	14,628	15,634	15,211
NZD call option contracts purchased	2,616	984	-
Collar option contracts – NZD call option purchased (i)	51,215	69,358	57,837
Collar option contracts - NZD call option sold (i)	55,819	75,305	63,016

⁽i) Foreign currency contractual amounts are equal.

Notes to the Financial Statements continued

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

16. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Foreign currency contractual amounts hedged in relation to sale commitments were as follows:

	F	OREIGN CURRENCY	
	UNAUDITED	AUDITED	UNAUDITED
	30 SEPTEMBER	31 MARCH	30 SEPTEMBER
	2011	2012	2012
	000s	000s	000s
United States dollars	US\$86,000	US\$118,250	US\$127,500
European Union euros	€84,725	€71,955	€66,535
Australian dollars	A\$13,500	A\$10,800	A\$12,450
British pounds	£2,330	£2,885	£4,400
Canadian dollars	C\$18,800	C\$16,450	C\$16,250
Japanese yen	¥2,677,000	¥2,470,000	¥2,435,000
Chinese yuan	¥0	¥6,000	¥20,000

As at 31 March 2011 forward exchange contracts with foreign currency contractual amounts totalling US\$66 million had been monetised (closed out) with the NZ dollar benefit of \$31,813,000 (\$22,269,000 after tax) held within Cash Flow Hedge Reserve – Realised, on the Balance Sheet. The cash was applied to reduce interest-bearing liabilities during the 2010 financial year. The benefit remained within Cash Flow Hedge Reserve – Realised, until the original forecast transactions occurred, during the 2012–2014 financial years, relating to the forward exchange contracts monetised. During the first half of the 2013 financial year a benefit of \$7,851,000 (\$5,496,000 after tax) was released to the Income Statement and included as part of the foreign exchange gain on hedged sales within revenue.

During the 2012 financial year forward exchange contracts with foreign currency contractual amounts totalling US\$34 million were monetised (closed out) with the NZ dollar benefit of \$24,264,000 (\$17,470,000 after tax) held within Cash Flow Hedge Reserve – Realised, on the Balance Sheet. The benefit remains within Cash Flow Hedge Reserve – Realised, until the original forecast transactions occur, during the 2013–2014 years, relating to the forward exchange contracts monetised.

During the 2012 financial year forward exchange contracts with foreign currency contractual amounts totalling US\$34 million were monetised (closed out) with the NZ dollar benefit of \$24,264,000 (\$17,470,000 after tax) held within Cash Flow Hedge Reserve – Realised, on the Balance Sheet. The benefit remains within Cash Flow Hedge Reserve – Realised, until the original forecast transactions occur, during the 2013–2014 years, relating to the forward exchange contracts monetised.

In total a further benefit of \$31,221,000 (\$22,340,000 after tax) will be released to the Income Statement as follows:

FINANCIAL YEAR	NZ\$000
2013	9,930
2014	21,291
	31,221

					ommitments	

	FC	REIGN CURRENCY	
	UNAUDITED	AUDITED	UNAUDITED
	30 SEPTEMBER	31 MARCH	30 SEPTEMBER
	2011	2012	2012
	000s	000s	000s
Mexican pesos	Mex\$244,079	Mex\$225,829	Mex\$223,579
nemean peses	WEA4244,079	WEX\$223,829	WEX\$223,379
·	erivative contracts outstanding were as follows:	WEA#223,023	IVIEX.\$223,379
•	, ,	AUDITED	UNAUDITE
·	erivative contracts outstanding were as follows:		
·	erivative contracts outstanding were as follows: UNAUDITED	AUDITED	UNAUDITEI
•	unaudited 30 SEPTEMBER	AUDITED 31 MARCH	UNAUDITEI 30 SEPTEMBEI

The interest rate swaps have terms of up to 10 years.

17. RELATED PARTY TRANSACTIONS

During the period the Group has not entered into any material contracts involving related parties or directors' interests. No amounts owed by related parties have been written off or forgiven during the period. Apart from directors' fees, key executive remuneration and dividends paid by the Group to its directors, there have been no related party transactions.

Notes to the Financial Statements continued

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

18. SEGMENT INFORMATION

The operating segments of the Group have been determined based on the components of the Group that the chief operating decision-maker (CODM) monitors in making decisions about operating matters. These components have been identified on the basis of internal reports that the CODM reviews regularly in order to allocate resources and to assess the performance of the Group. For the purposes of NZ IFRS 8 the CODM is a group comprising the Board of Directors (which includes the Chief Executive Officer), Senior Vice-President – Products and Technology, Senior Vice-President – Sales and Marketing and Chief Financial Officer. This has been determined on the basis that it is this group which determines the allocation of the resources to segments and assesses their performance.

The Group has four operating segments reportable under NZ IFRS 8, as described below, which are the Group's strategic business units or groupings of business units. All other operating segments have been included in 'New Zealand segments'.

The strategic business units all offer the same products, being medical device products and systems for use in respiratory and acute care and the treatment of obstructive sleep apnea. Products are sold in over 120 countries worldwide through the Group's distribution subsidiaries, third party distributors and original equipment manufacturers (OEMs), with these sales being managed geographically from New Zealand and other locations worldwide. It is the management of these worldwide sales relationships that forms the basis for the Group's reportable segments. The following summary describes the operations in each of the Group's reportable segments:

- 1) **New Zealand.** Includes all activities controlled by entities or employees based in New Zealand, principally research and development, manufacturing, marketing, sales and distribution and administration. The research and development activity relates to New Zealand. The manufacturing activity principally relates to New Zealand, however the Mexico manufacturing activity is also included in this segment as the Mexico facility is ultimately managed by New Zealand-based employees. The sales and distribution activity principally relates to New Zealand, Latin America, Africa, the Middle East and other countries in Asia not included in 4) below. Also included are sales made to countries within Europe and Asia-Pacific where the management of the sale is from New Zealand.
- 2) **North America.** Includes all activities controlled by entities or employees based in the United States of America and Canada, principally sales, distribution and administration activities.
- 3) Europe. Includes all activities controlled by entities or employees based in the United Kingdom, France, Germany, Sweden and Turkey, principally sales, distribution and administration activities. These sales and distribution hubs also distribute product into neighbouring European countries.
- 4) **Asia-Pacific.** Includes all activities controlled by entities or employees based in Australia, Japan, India, China, South Korea, Taiwan and Hong Kong, principally sales, distribution and administration activities. During the period the Group purchased some of the assets of its distributor in South Korea, Hurscare Co. Ltd. The purchase price was KRW 1 billion, in addition to the value of the stock acquired of KRW 285,689,000. This has led to provisional goodwill being recognised in the Group's balance sheet of KRW 1 billion (approximately \$1.1 million) at 30 September 2012.

All minor or other activities have been included in the New Zealand segment as they are controlled by New Zealand entities or employees.

There are varying levels of integration between these geographical segments. This integration includes transfers of finished product, principally from New Zealand to other segments, and shared costs. The accounting policies of the reportable segments are the same as described in the audited financial statements for the year ended 31 March 2012.

Information regarding the operations of each reportable segment is included opposite. Performance is measured based on segment operating profit or EBIT. Segment profit is used to measure performance as the CODM believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within this industry. Inter-segment pricing is determined on an arm's length basis.

18. SEGMENT INFORMATION (CONTINUED)

	NEW	NORTH	EUROPE	ASIA-	ELIMIN-	TOTAL
	ZEALAND	AMERICA		PACIFIC	ATIONS	
	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000	NZ\$000
Operating Segments – 30 September 2011 (Unaudited)						
Sales revenue – external	25,363	102,635	68,596	33,127	-	229,721
Sales revenue – internal	145,355	-	-	-	(145,355)	-
Foreign exchange gain on hedged sales	22,256	_	-	-	-	22,256
Total operating revenue	192,974	102,635	68,596	33,127	(145,355)	251,977
Other income	1,200	_	_	_	_	1,200
Depreciation and amortisation	11,066	188	179	162	_	11,595
Reportable segment operating profit before financing costs	43,275	2,339	314	(368)	(4,182)	41,378
, , , ,						
Financing income	806	_	14	_	(647)	173
Financing expense	(2,079)	(352)	(553)	(241)	647	(2,578)
Exchange gain on foreign currency borrowings	1,376	_	_	_	_	1,376
Reportable segment assets	470,398	66,583	56,945	27,522	(97,584)	523,864
Reportable segment capital expenditure	26,876	79	255	118	_	27,328
Operating Segments – 30 September 2012 (Unaudited)						
Sales revenue – external	27,924	106,463	70,715	40,359	_	245,461
Sales revenue – internal	161,155	_	_	_	(161,155)	_
Foreign exchange gain on hedged sales	21,479	_	-	-	-	21,479
Total operating revenue	210,558	106,463	70,715	40,359	(161,155)	266,940
Other income	1,200	_	_	_	_	1,200
Depreciation and amortisation	12,860	205	207	124	_	13,396
Reportable segment operating profit before financing costs	46,554	3,311	2,611	1,851	(6,475)	47,852
reportable segment operating profit before infalleling costs	40,334	,,,11	2,011	1,071	(0,473)	47,032
Financing income	1,266	-	_	1	(1,110)	157
Financing expense	(1,376)	(851)	(345)	(205)	1,110	(1,667)
Exchange gain on foreign currency borrowings	861	_			_	861
Reportable segment assets	570,263	64,596	59,032	30,757	(111,652)	612,996
Reportable segment capital expenditure	39,444	66	71	1,359	_	40,940

Notes to the Financial Statements continued

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

18. SEGMENT INFORMATION (CONTINUED)

Product Segments

The Group's products and systems are for use in respiratory care, acute care and the treatment of obstructive sleep apnea and are sold in over 120 countries worldwide. Revenues are managed on a regional basis, but a split by product group is set out below. Assets are not split by product group. Segment revenue is based on product SKUs.

Product Group Information

	UNAUDITED	UNAUDITED
	SIX MONTHS	SIX MONTHS
	ENDED	ENDED
	30 SEPTEMBER	30 SEPTEMBER
	2011	2012
	NZ\$000	NZ\$000
Respiratory & acute care	131,380	142,938
Obstructive sleep apnea	113,597	114,217
Core products subtotal	244,977	257,155
Distributed and other	7,000	9,785
Total revenue	251,977	266,940

Major Customer

Revenues from one customer of the North America segment (being its distributor to US hospitals) represents approximately \$30.2 million (2011: \$33.8 million) of the Group's total revenues.

19. SUBSEQUENT EVENTS

On 22 November 2012 the directors approved the payment of a fully imputed 2013 interim dividend of \$29,057,164 (5.4 cents per share) to be paid on 14 December 2012.

Subsequent to balance date, the Group agreed replacement bank facilities with two lenders for those bank facilities maturing in December 2012, which had an aggregate facility limit of \$73 million. These replacement facilities have limits of \$30 million and \$50 million and expiry dates of 1 November 2014 and 1 November 2017 respectively.

Statutory Information

GROUP STRUCTURE

As at 22 November 2012

FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED* OWNS:

- Fisher & Paykel Healthcare Limited (NZ)*
- Fisher & Paykel Healthcare Pty Limited (Australia)*
- Fisher & Paykel Healthcare Treasury Limited (NZ)*
- Fisher & Paykel Healthcare Employee Share Purchase Trustee Limited (NZ)
- Fisher & Paykel Healthcare Limited (UK)
- Fisher & Paykel Holdings Inc. (USA)
- Fisher & Paykel Healthcare Limited (Canada)
- Fisher & Paykel do Brasil Ltda (Brazil)
- Fisher & Paykel Healthcare (Guangzhou) Limited (China)
- Fisher & Paykel Healthcare Asia Limited (NZ)
- Fisher & Paykel Healthcare Americas Investments Limited (NZ)

FISHER & PAYKEL HEALTHCARE LIMITED (NZ)* OWNS:

Fisher & Paykel Healthcare Properties Limited (NZ)*

FISHER & PAYKEL HOLDINGS INC. (USA) OWNS:

Fisher & Paykel Healthcare Inc. (USA)

FISHER & PAYKEL HEALTHCARE LIMITED (UK) OWNS:

- Fisher & Paykel Healthcare SAS (France)
- Fisher & Paykel Holdings GmbH (Germany)
- Fisher & Paykel Healthcare AB (Sweden)
- Fisher Paykel Sağlık Ürünleri Ticaret Limited Sirketi (Turkey)

FISHER & PAYKEL HOLDINGS GMBH (GERMANY) OWNS:

- Fisher & Paykel Healthcare GmbH & Co KG (Germany)
- Fisher & Paykel Verwaltungsgesellschaft GmbH (Germany)

FISHER & PAYKEL HEALTHCARE ASIA LIMITED (NZ) OWNS:

Fisher & Paykel Healthcare Asia Investments Limited (NZ)

FISHER & PAYKEL HEALTHCARE ASIA INVESTMENTS LIMITED (NZ) OWNS:

- Fisher & Paykel Healthcare India Private Limited (India)
- Fisher & Paykel Healthcare K.K. (Japan)
- Fisher & Paykel Healthcare Limited (Hong Kong)

FISHER & PAYKEL HEALTHCARE AMERICAS INVESTMENTS LIMITED (NZ) OWNS:

Fisher & Paykel Healthcare S.A. de C.V. (Mexico)

^{*}Companies operating under a negative pledge agreement

Statutory Information continued

DIRECTORS' DETAILS

The persons holding office as Directors of Fisher & Paykel Healthcare Corporation Limited at any time during, or since the end of, the six months ended 30 September 2012 are as follows:

Tony Carter Chairman, Non-Executive, Independent
Michael Daniell Managing Director and Chief Executive Officer

Nigel Evans

Non-Executive, Independent
Roger France

Non-Executive, Independent
Lindsay Gillanders

Arthur Morris

Non-Executive, Independent
Non-Executive, Independent
Gary Paykel

Non-Executive, Independent

During the six months to 30 September 2012:

- At the Annual Meeting of Shareholders held on 22 August 2012, Roger France and Arthur Morris retired by rotation in accordance with the company's constitution, and were re-elected to the board; and
- At the Annual Meeting of Shareholders held on 22 August 2012, Michael Daniell retired following his re-appointment as Managing Director in accordance with the Company's constitution, and was re-elected to the board.

EXECUTIVES' DETAILS

Michael Daniell Managing Director and Chief Executive Officer

SENIOR MANAGEMENT

Lewis GradonSenior Vice-President – Products and TechnologyPaul ShearerSenior Vice-President – Sales and MarketingTony BarclayChief Financial Officer and Company Secretary

Directory

The details of the Company's principal administrative and registered office in New Zealand are:

Physical address: 15 Maurice Paykel Place, East Tamaki,

Auckland 2013, New Zealand

Telephone: +64 9 574 0100 Facsimile: +64 9 574 0158

Postal address: PO Box 14348, Panmure,

Auckland 1741, New Zealand

Internet address: www.fphcare.com

Email: investor@fphcare.co.nz

The details of the Company's registered office in Australia are:

Physical address: 36-40 New Street, Ringwood,

Victoria 3134, Australia

Telephone: +61 3 9879 5022 Facsimile: +61 3 9879 5232 Postal address: PO Box 167, Ringwood,

Victoria 3134, Australia

STOCK EXCHANGES

The Company's ordinary shares are listed on the NZSX and the ASX.

SHARE REGISTRAR

In New Zealand:

Link Market Services Limited

Physical address: Level 16, 19 Victoria Street,

Auckland, New Zealand

Postal address: PO Box 91976, Auckland 1142, New Zealand

Facsimile: +64 9 375 5990 Investor enquiries: +64 9 375 5998

Internet address: www.linkmarketservices.co.nz
Email: enquiries@linkmarketservices.co.nz

In Australia:

Link Market Services Limited

Physical address: Level 12, 680 George Street, Sydney,

NSW 2000, Australia

Postal address: Locked Bag A14, Sydney South,

NSW 1235, Australia

Facsimile: +61 2 9287 0303 Investor enquiries: +61 2 8280 7111

Internet address: www.linkmarketservices.com.au
Email: registrars@linkmarketservices.com.au

INCORPORATION

The Company was incorporated in Auckland, New Zealand.





















www.fphcare.com