



Fisher & Paykel
HEALTHCARE

Interim Report 2010

Around the world an increasing number of healthcare providers are choosing to use our medical devices to assist in the care of their patients.



Half Year Review

Our consistent long term growth strategy again delivered strong results, with a 31% increase in net profit to NZ\$37 million for the six months ended 30 September 2009. In keeping with our growth strategy, we continued to expand our range of innovative products, further developed opportunities to serve additional patient groups and increased our international presence. Around the world an increasing number of healthcare providers are choosing to use our medical devices to assist in the care of their patients.

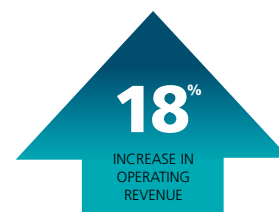
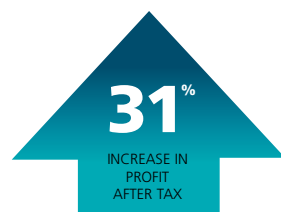
Operating revenue increased 18%, compared to the same period last year, to NZ\$251.4 million. This was a result of very strong revenue growth in our obstructive sleep apnea (OSA) product group, continuing strong demand for our respiratory products and favourable foreign exchange hedging results. Revenue which is recurring, from sales of consumables and accessories, was approximately 75% of our total operating revenue.

Our operating revenue is generated in a variety of currencies, with our products sold in more than 120 countries. United States dollars contributed 58% of operating revenue, Euros 23%, Australian dollars 7%, United Kingdom pounds 4%, New Zealand dollars 2%, and other currencies 6%.

Your directors have approved an interim dividend for the financial year ending 31 March 2010 of NZ 5.4 cents per ordinary share (2009: 5.4 cents), carrying full imputation credit. Non-resident shareholders will receive a supplementary dividend of NZ 0.953 cents per share. The interim dividend will be paid on 18 December 2009, with a record date of 9 December, and an ex-dividend date of 3 December for the ASX and 10 December for the NZSX.

Currency exchange rates continued to be very volatile. During the six months, the NZD:USD spot exchange rate ranged from 0.55 to 0.73 with an average spot rate of 0.64. Our hedging policy again served us well. We had in place at 30 September 2009 a mix of foreign exchange contracts and collar options, up to five years forward, with a face value of approximately NZ\$600 million. The US dollar and Euro instruments were at weighted average rates of approximately 0.52 US dollars and 0.44 Euros to the New Zealand dollar and are to protect the company from exchange rate volatility.

During the September-October period we monetised (closed out) US\$62 million of forward exchange contracts with maturity dates in the 2012 and 2013 financial years, with a cash benefit of NZ\$30 million being realised and applied to reduce bank debt. At 30 September 2009 we had monetised US\$11 million of forward exchange contracts with a cash benefit of NZ\$5.5 million.



OPERATING REVENUE BY PRODUCT GROUP

US DOLLARS Six Months Ended 30 September				NZ DOLLARS Six Months Ended 30 September		
Percentage variation	2008 US\$000	2009 US\$000	Product Group	2009 NZ\$000	2008 NZ\$000	Percentage variation
-8%	81,226	74,577	Respiratory & acute care	117,405	108,717	+8%
+11%	68,041	75,658	Obstructive sleep apnea	118,824	90,856	+31%
+1%	149,267	150,235	Core products subtotal	236,229	199,573	+18%
-6%	10,302	9,638	Distributed and other	15,157	13,698	+11%
+0%	\$159,569	\$159,873	Total	\$251,386	\$213,271	+18%

RESPIRATORY & ACUTE CARE

Our heated humidifier and respiratory care systems play an important role in improving patient care in the treatment of a variety of medical conditions which interfere with normal respiration. Warming and moistening of the gases delivered through mechanical ventilation or oxygen therapy helps to reproduce the normal functioning of the nose and upper airways and reduces airway moisture loss and the occurrence of adverse side effects.

Our products include humidifier controllers, chambers, breathing circuits which convey medical gases to and from the patient, interfaces, oxygen therapy systems and neonatal care devices. We also offer a humidification system which humidifies the cold, dry carbon dioxide gas which is used to inflate the patient's abdomen during laparoscopic surgery.

Demand for our respiratory and acute care devices continued to be strong during the six months and contributed to respiratory and acute care product group operating revenue of NZ\$117.4 million, up 8% on the same period last year. This growth was pleasing, as during the same period last year we delivered large back orders and substantial volumes for contracts in the United States.

We have previously outlined the opportunities we were pursuing 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 encouraging progress, with the proportion of our revenue derived from those new applications continuing to grow.

OBSTRUCTIVE SLEEP APNEA

Most people with OSA do not realize that they have a condition which 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, or 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.

For our OSA product group, operating revenue grew 31% to NZ\$118.8 million for the six months, reflecting strong demand for new premium flow generators and masks introduced over the past year.

Our new SleepStyle flow generators are able to collect data during treatment onto a removable USB SmartStick flash memory device which may be conveniently reviewed by the patient's physician without the need for any special card reading hardware. The ability to provide efficacy reporting and removable media has opened up a significant new product category for us and allows us to address a much larger market opportunity. We have also recently expanded our Zest nasal mask range with the introduction of the Zest Petite and Zest Plus masks.

INTERNATIONAL SALES

North America generated 47% of our operating revenue for the half year, with Europe contributing 31% and Asia/Pacific and Other 22%.

This year we have established new distribution and clinical sales support centres in Japan and Canada and we have continued to expand our other international sales, marketing and operations teams to increase our geographical coverage and to support ongoing growth. We have our own sales offices or sales support staff located in 30 countries.

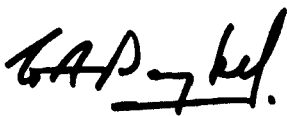
RESEARCH AND DEVELOPMENT

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 23% compared with the same period last year to NZ\$16.3 million, representing 6.5% of operating revenue. We have already introduced a number of new products this year and have a substantial new product pipeline under development, which includes additional masks and breathing system consumables. Over the next few months we expect to begin introduction of our new flow generator range into the OSA market.

OUTLOOK

We will be continuing to expand our R&D, sales, distribution and manufacturing operations and for the remainder of the 2010 financial year we expect continuing growth in demand for our products.



GARY PAYKEL
Chairman



MICHAEL DANIELL
Managing Director and
Chief Executive Officer



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Accountants' Report

To the shareholders of Fisher & Paykel Healthcare Corporation Limited

We have reviewed the interim consolidated financial statements on pages 6 to 18. The interim consolidated financial statements provide information about the past financial performance and cash flows of the Group, comprising Fisher & Paykel Healthcare Corporation Limited and its subsidiaries, for the six months ended 30 September 2009 and its financial position as at that date. This information is stated in accordance with the accounting policies set out on page 10.

Directors' responsibilities

The Company's Directors are responsible for the preparation and presentation of the interim consolidated financial statements that present fairly the financial position of the Group as at 30 September 2009 and its financial performance and cash flows for the six months ended on that date.

Accountants' responsibilities

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

Basis of opinion

A review is limited primarily to enquiries of 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 consolidated financial statements and, accordingly, we do not express an audit opinion.

We have reviewed the interim consolidated financial statements of the Group for the six months ended 30 September 2009 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 capacities as accountants conducting this review, auditors of the annual financial statements and providers of tax and other assurance services.



Accountants' Report

Fisher & Paykel Healthcare Corporation Limited

Review opinion

Based on our review, nothing has come to our attention that causes us to believe that the interim consolidated financial statements do not present fairly the financial position of the Group as at 30 September 2009 and its financial performance and cash flows for the six months ended on that date, in accordance with both International Accounting Standard 34 and New Zealand Equivalent to International Accounting Standard 34, Interim Financial Reporting.

Our review was completed on 19 November 2009 and our review opinion is expressed as at that date.

A handwritten signature in blue ink, reading 'PricewaterhouseCoopers', is written over a faint, light blue, rectangular background.

Chartered Accountants

Auckland

CONSOLIDATED INCOME STATEMENTS

	Notes	Unaudited Six Months Ended 30 September 2009 NZ\$000	Unaudited Six Months Ended 30 September 2008 NZ\$000
Operating revenue	3	251,386	213,271
Cost of sales		(115,540)	(95,188)
Gross profit		135,846	118,083
Other income	4	2,185	1,500
Selling, general and administrative expenses		(70,796)	(60,224)
Research and development expenses		(16,327)	(13,308)
Operating profit before financing costs		50,908	46,051
Financing income		297	980
Financing expense		(3,352)	(3,877)
Exchange gain (loss) on foreign currency borrowings		9,349	(3,355)
Net financing income (expense)		6,294	(6,252)
Profit before tax	5	57,202	39,799
Tax expense	6	(20,162)	(11,536)
Profit after tax		37,040	28,263
Basic earnings per share		7.3 cps	5.5 cps
Diluted earnings per share		7.0 cps	5.4 cps
Weighted average basic ordinary shares outstanding		510,439,681	509,465,471
Weighted average diluted ordinary shares outstanding		528,787,264	525,826,551

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Unaudited Six Months Ended 30 September 2009 NZ\$000	Unaudited Six Months Ended 30 September 2008 NZ\$000	Audited Year Ended 31 March 2009 NZ\$000
Profit after tax		37,040	28,263	62,233
Other comprehensive income				
Cash flow hedge reserve - unrealised				
Changes in fair value		90,512	(3,698)	(3,071)
Transfers to net profit before tax		(338)	(44)	(743)
Tax on movements		(27,052)	1,123	1,144
Cash flow hedge reserve - realised				
Monetised financial instruments	16	5,490	-	-
Tax on monetised financial instruments		(1,647)	-	-
Revaluation of land		-	-	10,850
Other comprehensive income for the period, net of tax		66,965	(2,619)	8,180
Total comprehensive income for the period attributable to shareholders		104,005	25,644	70,413

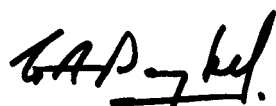
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Unaudited Six Months Ended 30 September 2009 NZ\$000	Unaudited Six Months Ended 30 September 2008 NZ\$000	Audited Year Ended 31 March 2009 NZ\$000
Total equity at beginning of the period	204,301	195,664	195,664
Total comprehensive income and expenses for the period	104,005	25,644	70,413
Dividends paid	(35,669)	(35,662)	(63,175)
Issue of share capital under dividend reinvestment plan	3,581	-	-
Issue of share capital	137	56	202
Movement in employee share entitlement reserve	(145)	57	133
Movement in employee share option reserve	(609)	281	837
Movement in treasury shares	47	44	164
Shares issued under share option schemes for employee services	1,643	1	5
Employee share scheme shares issued for employee services	959	14	58
Total equity at end of the period	278,250	186,099	204,301

CONSOLIDATED BALANCE SHEETS

	Notes	Unaudited 30 September 2009 NZ\$000	Unaudited 30 September 2008 NZ\$000	Audited 31 March 2009 NZ\$000
ASSETS				
Current assets				
Cash and cash equivalents		4,522	8,700	5,465
Trade and other receivables	7	73,890	74,213	80,996
Inventories	8	72,540	62,478	69,946
Derivative financial instruments	16	27,070	1,535	7,566
Tax receivable		808	3,657	8,702
Total current assets		178,830	150,583	172,675
Non-current assets				
Property, plant and equipment		218,207	189,033	204,558
Intangible assets		4,581	4,203	4,469
Other receivables	7	1,615	1,551	1,853
Derivative financial instruments	16	64,185	2,654	13,334
Deferred tax asset		10,097	11,701	16,848
Total assets		477,515	359,725	413,737
LIABILITIES				
Current liabilities				
Interest-bearing liabilities	9	24,901	59,184	23,447
Trade and other payables	10	54,238	50,868	57,737
Provisions		2,493	2,274	2,203
Tax payable		1,579	1,159	593
Derivative financial instruments	16	1,036	5,298	9,874
Total current liabilities		84,247	118,783	93,854
Non-current liabilities				
Interest-bearing liabilities	9	86,150	49,472	97,510
Provisions		1,466	967	1,160
Other payables	10	3,350	3,677	3,223
Derivative financial instruments	16	2,525	727	13,689
Deferred tax liability		21,527	-	-
Total liabilities		199,265	173,626	209,436
EQUITY				
Share capital		12,668	6,154	6,348
Treasury shares		(2,225)	(2,392)	(2,272)
Retained earnings		189,097	181,269	187,726
Asset revaluation reserve		10,850	-	10,850
Cash flow hedge reserve - unrealised		61,357	(1,714)	(1,765)
Cash flow hedge reserve - realised	16	3,843	-	-
Employee share entitlement reserve		172	241	317
Employee share option reserve		2,488	2,541	3,097
Total equity		278,250	186,099	204,301
Total liabilities and equity		477,515	359,725	413,737

On behalf of the Board
19 November 2009



G A Paykel
Chairman



M G Daniell
Managing Director and
Chief Executive Officer

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Unaudited Six Months Ended 30 September 2009 NZ\$000	Unaudited Six Months Ended 30 September 2008 NZ\$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		263,158	205,352
Receipt from distribution agency termination agreement compensation		2,185	-
Receipts from derivative financial instruments monetised	16	5,490	-
Dividends received		-	5
Interest received		297	938
Payments to suppliers and employees		(200,031)	(169,436)
Tax paid		(9,187)	(4,370)
Interest paid		(3,341)	(3,030)
Net cash flows from operations	15	58,571	29,459
CASH FLOWS (USED IN) INVESTING ACTIVITIES			
Sales of property, plant and equipment		9	2
Purchases of property, plant and equipment		(22,150)	(8,296)
Purchases of intangible assets		(736)	(813)
Net cash flows (used in) investing activities		(22,877)	(9,107)
CASH FLOWS (USED IN) FINANCING ACTIVITIES			
Employee share purchase schemes		986	338
Issue of share capital		3,715	56
New borrowings		33,721	42,642
Repayment of borrowings		(37,090)	(24,794)
Dividends paid		(35,669)	(35,662)
Supplementary dividends paid to overseas shareholders		(2,695)	(1,229)
Net cash flows (used in) financing activities		(37,032)	(18,649)
Net increase (decrease) in cash		(1,338)	1,703
Opening cash		(202)	(3,294)
Effect of foreign exchange rates		(253)	463
Closing cash		(1,793)	(1,128)
RECONCILIATION OF CLOSING CASH			
Cash and cash equivalents		4,522	8,700
Bank overdrafts	9	(6,315)	(9,828)
		(1,793)	(1,128)

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 September 2009

1. GENERAL INFORMATION

Fisher & Paykel Healthcare Corporation Limited ("Company" or "Parent") together with its subsidiaries ("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 19 November 2009, 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 2009 have been prepared in accordance with NZ IAS 34, *Interim Financial Reporting*. In complying with NZ IAS 34, these consolidated interim financial statements also comply with IAS 34.

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 2009, 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 significant accounting policies have been applied on a basis consistent with those used in the audited financial statements for the year ended 31 March 2009, except as described below.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 April 2009:

NZ IAS 1 (Amendment): Presentation of Financial Statements

The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The Group has elected to present two statements: an income statement and a statement of comprehensive income. The interim financial statements have been prepared under the revised disclosure requirements.

NZ IFRS 8: Operating segments

NZ IFRS 8 replaces NZ IAS 14, *Segment Reporting*. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes. This has resulted in the disclosure of additional segment information (refer Note 17).

3. OPERATING REVENUE

Revenue before hedging:

North America
Europe
Asia Pacific
Other

Total revenue before hedging

Foreign exchange gain (loss) on hedged sales

Total operating revenue

	Unaudited Six Months Ended 30 September 2009 NZ\$000	Unaudited Six Months Ended 30 September 2008 NZ\$000
Revenue before hedging:		
North America	109,931	99,488
Europe	75,179	68,883
Asia Pacific	40,217	34,960
Other	12,071	11,913
Total revenue before hedging	237,398	215,244
Foreign exchange gain (loss) on hedged sales	13,988	(1,973)
Total operating revenue	251,386	213,271

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 17 as described in that note.

Unaudited Six Months Ended 30 September 2009 NZ\$000	Unaudited Six Months Ended 30 September 2008 NZ\$000
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4. OTHER INCOME

Research and development tax credit
Distribution agency termination agreement compensation

-	1,500
2,185	-
2,185	1,500

There is additional distribution agency termination agreement compensation due to be received in the second half of the financial year. This additional compensation, of A\$1.1 million, is contingent upon the Group meeting further obligations under the agreement.

5. EXPENSES

Profit before tax includes the following expenses:

Depreciation
Amortisation:
 Patents and trademarks
 Software
Total amortisation
Employee benefits expense
Rental expense
Trade receivables written off
Movement in provision for doubtful trade receivables

7,987	7,131
466	464
407	414
873	878
84,078	69,980
1,604	1,298
103	147
(27)	308

6. TAX EXPENSE

Profit before tax

Tax expense at the New Zealand rate of 30%
Adjustments to tax for:

 Research and development tax credit
 Non-assessable income
 Non-deductible expenses
 Foreign tax rates other than 30%
 Effect of foreign currency translation

This year's tax
Other

Tax expense

57,202	39,799
17,161	11,940
-	(450)
(97)	(67)
323	429
434	459
2,482	(1,078)
20,303	11,233
(141)	303
20,162	11,536

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 September 2009

7. TRADE AND OTHER RECEIVABLES

CURRENT

Trade receivables
Less provision for doubtful trade receivables

Other receivables

NON-CURRENT

Other receivables

8. INVENTORIES

Materials
Finished products
Provision for obsolescence

9. INTEREST-BEARING LIABILITIES

CURRENT

Bank overdrafts
Borrowings

NON-CURRENT

Borrowings

10. TRADE AND OTHER PAYABLES

CURRENT

Trade payables
Employee entitlements
Other payables and accruals

NON-CURRENT

Employee entitlements
Other payables and accruals

Unaudited 30 September 2009 NZ\$000	Unaudited 30 September 2008 NZ\$000	Audited 31 March 2009 NZ\$000
66,436 (1,031)	67,855 (1,068)	76,415 (1,058)
65,405	66,787	75,357
8,485	7,426	5,639
73,890	74,213	80,996
1,615	1,551	1,853
16,622 59,024 (3,106)	15,360 50,468 (3,350)	19,013 55,498 (4,565)
72,540	62,478	69,946
6,315 18,586	9,828 49,356	5,667 17,780
24,901	59,184	23,447
86,150	49,472	97,510
24,921 17,821 11,496	21,823 14,362 14,683	23,677 16,852 17,208
54,238	50,868	57,737
2,415 935	3,084 593	2,734 489
3,350	3,677	3,223

11. 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.

The following Directors received directors' fees and dividends in relation to shares in which they had a beneficial interest as detailed below:

	Unaudited Six Months Ended 30 September 2009		Unaudited Six Months Ended 30 September 2008	
	Directors fees' NZ\$000	Dividends NZ\$000	Directors fees' NZ\$000	Dividends* NZ\$000
Non-executive directors				
Gary Paykel	90	252	86	214
Nigel Evans	50	2	48	2
Roger France	55	-	-	-
Lindsay Gillanders	40	51	38	44
Sir Colin Maiden	55	5	52	5
Arthur Morris	40	-	38	-
Michael Smith**	-	-	71	17
Executive director				
Michael Daniell	-	73	-	62

* In the 2009 Interim Report dividends for the six months ended 30 September 2008 were disclosed net of imputation credits. Gross dividend amounts are now disclosed.

** Michael Smith retired as a director on 24 February 2009.

12. CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure commitments contracted for but not recognised as at the reporting date:

	Unaudited 30 September 2009 NZ\$000	Unaudited 30 September 2008 NZ\$000	Audited 31 March 2009 NZ\$000
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	9,453	3,770	4,653
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13. OPERATING LEASE COMMITMENTS

Gross commitments under non-cancellable operating leases:

Within one year	6,083	4,223	5,010
Between one and two years	5,694	2,991	4,019
Between two and five years	3,939	2,264	2,237
Over five years	5,557	-	-
	21,273	9,478	11,266

Operating lease commitments relate mainly to occupancy leasing of buildings.

The significant increase in operating lease commitments at 30 September 2009 compared to prior periods is due to the leasing of a building in Mexico for future manufacturing operations. The Mexico facility lease is for a term of 10 years.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 September 2009

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.

15. CASH FLOW RECONCILIATIONS

	Unaudited Six Months Ended 30 September 2009 NZ\$000	Unaudited Six Months Ended 30 September 2008 NZ\$000
Profit after tax	37,040	28,263
Add (deduct) non-cash items:		
Depreciation and writedown of property, plant and equipment to recoverable amount	7,987	7,131
Amortisation of intangibles	873	878
Accrued financing income/expense	116	824
Movement in provisions	596	259
Movement in deferred tax	1,226	(1,861)
Movement in working capital:		
Trade and other receivables	7,344	(14,587)
Inventory	(2,594)	(11,708)
Trade and other payables	(2,250)	8,778
Provision for tax net of supplementary dividend paid	11,575	8,059
Foreign currency translation (i)	(7,185)	3,423
Add non-Income Statement items:		
Monetised cash flow hedges	3,843	-
Net cash flows from operations	58,571	29,459

(i) A further item has been added to the reconciliation this period which reflects the non-cash movement in the value of foreign currency assets and liabilities, other than those items specifically detailed, that are included within the Income Statement. A comparative amount of \$3,423,000 has also been presented, this amount was previously recorded within Trade and Other Payables.

16. DERIVATIVE FINANCIAL INSTRUMENTS

	Unaudited 30 September 2009		Unaudited 30 September 2008		Audited 31 March 2009	
	Assets NZ\$000	Liabilities NZ\$000	Assets NZ\$000	Liabilities NZ\$000	Assets NZ\$000	Liabilities NZ\$000
CURRENT						
Foreign currency forward exchange contracts	24,766	51	1,147	501	6,545	4,607
Foreign currency option contracts	2,300	-	388	4,797	948	3,768
Interest rate swaps	4	985	-	-	73	1,499
	27,070	1,036	1,535	5,298	7,566	9,874
NON-CURRENT						
Foreign currency forward exchange contracts	63,021	370	2,562	91	12,996	9,459
Foreign currency option contracts	244	-	92	33	-	625
Interest rate swaps	920	2,155	-	603	338	3,605
	64,185	2,525	2,654	727	13,334	13,689

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

	Unaudited 30 September 2009 NZ\$000	Unaudited 30 September 2008 NZ\$000	Audited 31 March 2009 NZ\$000
Purchase commitments forward exchange contracts	9,519	1,746	508
Sale commitments forward exchange contracts	551,485	162,181	615,687
Foreign currency borrowing forward exchange contracts	17,053	-	19,262
NZD call option contracts purchased	-	7,913	-
Collar option contracts - NZD call option purchased (i)	32,424	126,958	77,552
Collar option contracts - NZD call option sold (i)	36,229	139,484	86,384

(i) Foreign currency contractual amounts are equal.

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

	Unaudited 30 September 2009 000s	Foreign Currency Unaudited 30 September 2008 000s	Audited 31 March 2009 000s
United States dollars	US\$147,500	US\$75,500	US\$201,000
European Union euros	€110,020	€72,430	€103,260
Australian dollars	A\$5,700	A\$6,200	A\$3,000
British pounds	£1,520	£2,000	£2,100
Canadian dollars	C\$11,200	C\$11,650	C\$11,550
Swiss francs	-	SFr675	SFr1,325
Swedish kroner	kr2,500	kr4,000	kr3,000

As at 30 September 2009 forward exchange contracts with foreign currency contractual amounts totalling US\$11 million had been monetised (closed out) with the NZ dollar benefit of \$5,490,000 (\$3,843,000 after tax) held within Cash Flow Hedge Reserve - Realised, on the Balance Sheet. The cash was applied to reduce interest-bearing liabilities. The benefit will remain within Cash Flow Hedge Reserve - Realised until the original maturity dates, during the 2012 financial year, of the forward exchange contracts monetised.

Refer to Note 18 for information on further forward exchange contracts monetised post 30 September 2009.

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 September 2009

16. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

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

	Unaudited 30 September 2009 000s	Foreign Currency Unaudited 30 September 2008 000s	Audited 31 March 2009 000s
European Union euros	-	€200	€100
Japanese yen	¥15,000	¥106,000	¥24,000
Mexican pesos	Mex\$90,000	-	-

Contractual amounts of interest rate derivative contracts outstanding were as follows:

	Unaudited 30 September 2009 NZ\$000	Unaudited 30 September 2008 NZ\$000	Audited 31 March 2009 NZ\$000
Interest rate swaps	88,041	52,368	99,151
Interest rate swaptions	-	10,000	-

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

17. SEGMENT INFORMATION

For the purposes of NZ IFRS 8 the chief operating decision maker (CODM) is a group comprising the Board of Directors, 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 operating segments of the Group have been determined based on the components of the Group that the CODM monitors, as a group, 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.

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 'Other segments'.

The strategic business units all offer the same products, being 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 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) 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.
- 2) Europe. Includes all activities controlled by entities or employees based in the United Kingdom, France, Germany and Sweden, principally sales, distribution and administration activities. These sales and distribution hubs also distribute product into surrounding European countries.
- 3) Asia-Pacific. Includes all activities controlled by entities or employees based in Australia, Japan, India and China, principally sales, distribution and administration activities.
- 4) 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 sales and distribution activity principally relates to New Zealand, Latin America, Africa, the Middle East and other countries in Asia not included in 3) above. Also included are sales made to countries within Europe and Asia-Pacific where the management of the sale is from New Zealand.

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

17. SEGMENT INFORMATION (continued)

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 Note 2.

Information regarding the operations of each reportable segment is included below. 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.

Operating Segments - 30 September 2009 (Unaudited)

	New Zealand NZ\$000	North America NZ\$000	Europe NZ\$000	Asia-Pacific NZ\$000	Eliminations NZ\$000	Total NZ\$000
Sales revenue - external	33,265	110,110	69,920	24,103	-	237,398
Sales revenue - internal	143,243	-	-	-	(143,243)	-
Foreign exchange gain on hedged sales	13,988	-	-	-	-	13,988
Total operating revenue	190,496	110,110	69,920	24,103	(143,243)	251,386
Other income	-	-	-	2,185	-	2,185
Depreciation and amortisation	8,248	243	227	142	-	8,860
Reportable segment operating profit before financing costs	36,788	4,132	3,837	4,203	1,948	50,908
Financing income	1,314	-	-	-	(1,017)	297
Financing expense	(2,962)	(893)	(396)	(118)	1,017	(3,352)
Exchange gain on foreign currency borrowings	9,349	-	-	-	-	9,349
Reportable segment assets	438,470	65,724	55,019	17,081	(98,779)	477,515
Reportable segment capital expenditure	22,058	320	384	124	-	22,886

Operating Segments - 30 September 2008 (Unaudited)

	New Zealand NZ\$000	North America NZ\$000	Europe NZ\$000	Asia-Pacific NZ\$000	Eliminations NZ\$000	Total NZ\$000
Sales revenue - external	37,277	98,224	60,386	19,357	-	215,244
Sales revenue - internal	126,400	-	-	-	(126,400)	-
Foreign exchange (loss) on hedged sales	(1,973)	-	-	-	-	(1,973)
Total operating revenue	161,704	98,224	60,386	19,357	(126,400)	213,271
Other income	1,500	-	-	-	-	1,500
Depreciation and amortisation	7,546	144	201	118	-	8,009
Reportable segment operating profit before financing costs	40,241	3,673	3,667	1,861	(3,391)	46,051
Financing income	1,872	-	2	-	(894)	980
Financing expense	(3,679)	(870)	(213)	(9)	894	(3,877)
Exchange (loss) on foreign currency borrowings	(3,355)	-	-	-	-	(3,355)
Reportable segment assets	295,240	66,549	45,781	13,204	(61,049)	359,725
Reportable segment capital expenditure	8,884	24	63	138	-	9,109

NOTES TO THE FINANCIAL STATEMENTS

For the six months ended 30 September 2009

17. 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 Six Months Ended 30 September 2009 NZ\$000	Unaudited Six Months Ended 30 September 2008 NZ\$000
Respiratory & acute care	117,405	108,717
Obstructive sleep apnea	118,824	90,856
Core products subtotal	236,229	199,573
Distributed and other	15,157	13,698
Total revenue	251,386	213,271

Major Customer

Revenues from one customer of the North America segment (being its distributor to US hospitals) represents approximately \$30.1 million (2008: \$37.1 million) of the Group's total revenues.

18. SUBSEQUENT EVENTS

Between 1 October 2009 and 19 November 2009 forward exchange contracts with foreign currency contractual amounts totalling US\$51 million were monetised (closed out), in addition to the US\$11 million as disclosed in Note 16. The additional NZ dollar benefit of \$25,044,000 (\$17,531,000 after tax) will be held within Cash Flow Hedge Reserve - Realised, on the Balance Sheet. The cash was applied to reduce interest-bearing liabilities. The benefit will remain within Cash Flow Hedge Reserve - Realised until the original maturity dates of the forward exchange contracts, during the 2012 and 2013 financial years.

On 19 November 2009 the directors approved the payment of a fully imputed 2010 interim dividend of \$27,625,781 (5.4 cents per share) to be paid on 18 December 2009.

STATUTORY INFORMATION

GROUP STRUCTURE

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 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 HOLDINGS GMBH (GERMANY) OWNS:

Fisher & Paykel Healthcare GmbH & Co KG (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)

ALL COMPANIES ARE WHOLLY OWNED

* COMPANIES OPERATING UNDER A NEGATIVE PLEDGE AGREEMENT

STATUTORY INFORMATION (continued)

DIRECTORS' DETAILS

The Directors of Fisher & Paykel Healthcare Corporation Limited at all times during the half-year ended 30 September 2009 and to date were:

Gary Paykel	Chairman, Non-Executive, Independent
Michael Daniell	Managing Director and Chief Executive Officer
Nigel Evans	Non-Executive, Independent
Roger France	Non-Executive, Independent
Lindsay Gillanders	Non-Executive, Independent
Sir Colin Maiden	Non-Executive, Independent
Arthur Morris	Non-Executive, Independent

During the six months to 30 September 2009:

- At the Annual Meeting of Shareholders held on 21 August 2009, Sir Colin Maiden and Lindsay Gillanders retired by rotation in accordance with the Company's constitution, and were re-elected to the Board.
- At the Annual Meeting of Shareholders held on 21 August 2009 Roger France retired following his casual appointment 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 Gradon, Senior Vice-President – Products and Technology

Paul Shearer, Senior Vice-President – Sales and Marketing

Tony Barclay, Chief 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.co.nz
Email address:	investor@fphcare.co.nz

SHARE REGISTRY

In New Zealand:

Computershare Investor Services Limited

Physical address: Level 2, 159 Hurstmere Road, Takapuna, Auckland

Postal address: Private Bag 92119, Auckland 1142, New Zealand

Telephone: +64 9 488 8700

Facsimile: +64 9 488 8787

Investor enquiries: +64 9 488 8777

Internet address: www.computershare.co.nz

Email: enquiry@computershare.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

In Australia:

Computershare Investor Services Limited

Physical address: Level 4, 60 Carrington Street, Sydney, NSW 2000

Postal address: GPO Box 7045, Sydney, NSW 1115, Australia

Telephone: +61 2 8234 5000

Facsimile: +61 2 8234 5050

Investor enquiries: 1 300 855 080 (for use within Australia only)

Internet address: www.computershare.com.au

Email: sydney.services@computershare.com.au

STOCK EXCHANGES

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

INCORPORATION

The Company was incorporated in Auckland, New Zealand.



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Fisher & Paykel
HEALTHCARE