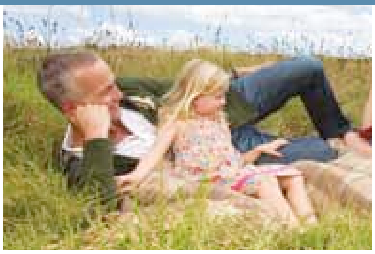
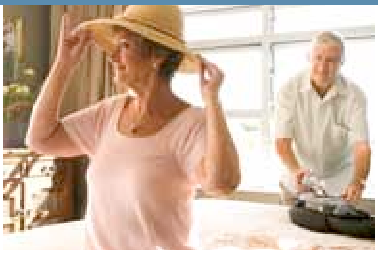
Interim Report 2012

Improving patient care and outcomes





Fisher & Paykel HEALTHCARE

Growth in demand for our respiratory and acute care consumables was very encouraging. An important driver of that growth was consumables used outside of our traditional invasive ventilation market.

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Half Year Review

Our long-term growth strategy remains consistent: expand our range of innovative products which can improve patient care and outcomes, develop opportunities to serve additional patient groups and increase our international presence.

For the six months to 30 September 2011 we achieved strong sales growth for our respiratory and acute care products (RAC) and our ICON™ flow generator range used in the treatment of obstructive sleep apnea (OSA).

In US dollars, total operating revenue grew 18% to US$205.7 million for the six months. In New Zealand dollars, operating revenue was a record NZ$252.0 million. The growth in NZ dollar operating revenue of 3% reflects the effect of unfavourable exchange rate movements.

Net profit after tax was NZ$28.3 million compared to NZ$16.9 million. Net profit after tax for the first half last year included deferred tax charges of NZ$11.7 million, which primarily related to the NZ legislative removal of deductions for depreciation of buildings.

On a constant currency basis, our total operating revenue grew 11% and operating profit grew 31% compared to the first half last year, excluding last year's deferred tax charges. We continued to generate significant operating leverage from disciplined expense control, positive contributions from our Mexico manufacturing facility and from new sales operations established over the past two years.

Our operating revenue was generated in a variety of currencies, with our products sold in more than 120 countries in total. US dollars contributed 53% of operating revenue, Euros 23%, Australian dollars 7%, Canadian dollars 4%, Japanese yen 4%, New Zealand dollars 2%, and other currencies 7%. 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.

Currency exchange rates continued to be very volatile. During the six months, the NZD:USD spot exchange rate ranged from 0.75 to 0.88 with an average spot rate of 0.82. Our hedging policy again served us well, contributing NZ$22.3 million to operating profit for the half. We had in place at 30 September 2011 a mix of foreign exchange contracts and collar options, up to five years forward, with a face value of approximately NZ$470 million. The US dollar and Euro instruments were at weighted average rates of approximately 0.73 US dollars and 0.42 Euros to the New Zealand dollar and are to protect the company from exchange rate volatility.

In addition, our operating profit in the second half of 2012 and the financial years 2013 and 2014 will benefit by NZ$9 million, NZ$18 million and NZ$21 million respectively from previously monetised instruments.

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 that interfere with normal respiration. Warming and moistening of the gases delivered through 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 products include humidifier controllers, chambers, breathing circuits that convey medical

OPERATING REVENUE BY PRODUCT GROUP

US DOLLARS Six Months Ended 30 September				NZ DOLLARS Six Months Ended 30 September		
2010 US$000	2011 US$000	PERCENTAGE VARIATION	PRODUCT GROUP	2010 NZ$000	2011 NZ$000	PERCENTAGE VARIATION
88,027	107,638	+22%	Respiratory & acute care	124,055	131,828	+6%
80,830	92,386	+14%	Obstructive sleep apnea	113,910	113,149	-1%
168,857	200,024	+18%	Core products subtotal	237,965	244,977	+3%
4,974	5,715	+15%	Distributed and other	7,006	7,000	0%
$173,831	**$205,739**	**+18%**	**Total**	**$244,971**	**$251,977**	**+3%**

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 consumables continued to be strong during the six months and contributed to RAC product group operating revenue of US$107.6 million, up 22% on the same period last year, or 15% in constant currency.

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 consumables operating revenue derived from those new applications growing 34% in US dollar terms, or 23% in constant currency.

OBSTRUCTIVE SLEEP APNEA

Most people with OSA do not realise that they have a 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 grew by 14% to US$92.4 million for the six months. Sales of our ICON flow generator product range grew very strongly, driving operating revenue growth of 47% for flow generators in US dollars, or 36% in constant currency terms. A 4% reduction in mask revenue resulted in total OSA constant currency growth of 8%.

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 have recently begun to introduce our new, very quiet, Zest™ Q nasal mask in Europe and we expect mask revenue growth to begin to accelerate following the roll-out of several additional new masks in the second half and next year.

INTERNATIONAL SALES

North America generated 46% of our operating revenue for the half year, with Europe 32% and Asia/Pacific and Other 22%.

We have continued to expand our international sales, marketing and operations teams to increase our geographical coverage and to support ongoing growth. We have sales offices or sales support staff located in 32 countries.

Selling, general and administrative (SG&A) expenses reduced 4% to NZ$72.3 million, an increase of 3% in constant currency terms. SG&A expense growth, in constant currency terms, reflects both productivity gains and the increase in production at our Mexico facility, with the consequent increased allocation of factory overheads to cost of sales.

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$19.9 million, representing 7.9% of operating revenue. We have introduced a number of new products this year and have a substantial new product pipeline under development, which includes additional masks, breathing system consumables, flow generators and humidifier systems.

CAPACITY EXPANSION

The ramp up of manufacturing of consumable products at our facility in Tijuana, Mexico is progressing ahead of plan, with more than 20% of our consumables volume now manufactured there.

Our Mexico facility provides both geographic diversity and substantial manufacturing and logistics cost savings.

Construction of the 31,000m^2 third building on our Auckland site has progressed to plan. On completion in late 2012, the facility will provide 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.

OUTLOOK

We expect continuing growth in demand for our products and we are expecting constant currency growth of approximately 25% in net profit after tax for the year, excluding last year's deferred tax charges, as we continue to see benefits from Mexico manufacturing, as well as other efficiencies.

GARY PAYKEL CNZM
Chairman

MICHAEL DANIELL
Managing Director and Chief Executive Officer

Financial Review

BALANCE SHEET

Our gearing[1] at 30 September 2011 was 26.9% compared with 26.4% at 31 March 2011. The small increase was due to additional borrowing required in relation to the construction of our new building.

The gearing figure remains above the target range of 5% to 15%. As previously noted the company intends to progressively move gearing into the target range over the next four years, assuming current exchange rates and dividend payout.

FUNDING

We had total available funding of $178 million as at 30 September 2011 of which approximately $67 million was undrawn, and cash on hand of $8 million. Bank debt facilities provide all available funding given the modest level of requirements. There is no debt requiring refinancing within the next 12 months.

DEBT MATURITY

The average maturity of the debt of $94.1 million was 2.2 years and the currency split was 49% New Zealand dollar; 19% US dollar; 15% Euro; 6% Australian dollar; 6% Japanese yen and 5% other currencies.

INTEREST RATES

Approximately 79% of all borrowings were at fixed interest rates with an average duration of 6.0 years and an average rate of 5.9%. Inclusive of floating rate borrowings the average interest rate on the debt is currently 5.6%. All interest rates are inclusive of margins but not fees.

Interest coverage for the period was 13 times and the group remains in a sound financial position.

The interest coverage for the period included interest capitalised to the new building project, $0.7 million for the period compared to $0.1 million for the corresponding period last year.

CASHFLOW

Cashflow from operations was $43.1 million compared with $21.2 million in the first six months of the 2011 financial year. The improvement is due to higher receipts in the current period from the further monetisation of US dollar forward exchange contracts and higher tax payments in the first half of last year as a result of the monetisation of US dollar forward exchange contracts in the 2010 financial year.

Capital expenditure for the period was $27.3 million compared with $23.9 million in the prior corresponding period. Of this total, $18.3 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.

DIVIDEND

The directors have approved an interim dividend for the financial year ending 31 March 2012 of NZ5.4 cents per ordinary share (2010: NZ5.4 cents), which will be fully imputed at a rate of 28%.

The dividend will be paid on 16 December 2011 to holders registered as at 5.00pm Friday 2 December 2011 (NZT). The shares will be quoted on an ex-dividend basis from 28 November 2011 for the ASX and 30 November 2011 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.

1 Net interest-bearing debt (debt less cash and cash equivalents) to net interest-bearing debt plus equity (less cash flow hedge reserve - unrealised).

FINANCIAL HIGHLIGHTS

UNAUDITED	SIX MONTHS ENDED SEPTEMBER 2010 NZ$000	YEAR ENDED MARCH 2011 NZ$000	SIX MONTHS ENDED SEPTEMBER 2011 NZ$000
Annualised pre-tax return on average shareholders' equity (%)	28.2	30.6	25.9
Earnings per share (cents)	5.6*	12.4*	5.4
Dividends per share (cents)	5.4	12.4	5.4
Gearing (%)	29.6	26.4	26.9
Interest cover (times)	17.4	16.5	13.3

*Excluding deferred tax charges.

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 an estimate of the changes, from the comparable period, in the main income statement items after excluding the impact of movements in foreign exchange rates, hedging results and balance sheet translations. The table is based on the New Zealand dollar income statements for the relevant periods which have all been restated at the budget foreign exchange rates for the current financial year.

UNAUDITED	SIX MONTHS ENDED SEPTEMBER 2010	YEAR ENDED MARCH 2011	SIX MONTHS ENDED SEPTEMBER 2011
Operating revenue	+3%	+5%	+11%
Cost of sales	-1%	+2%	+14%
Selling, general and administrative expenses	+12%	+8%	+3%
Research & development expenses	+14%	+11%	+7%
Operating profit	-15%	+4%	+31%

In constant currency terms, operating revenue increased by 11% and operating profit increased by 31% for the half, as we continued to generate significant operating leverage from disciplined expense growth control, positive contributions from our Mexico manufacturing facility and from direct sales operations established over the past two years.

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 track the company's financial performance without the impacts of spot foreign currency fluctuations and hedging results.

FOREIGN EXCHANGE HEDGING AND TREASURY

Exchange rates between the New Zealand dollar and the currencies we receive revenue in were again very volatile during the period, with the New Zealand dollar appreciating substantially against the US dollar when compared to the same period last year. Our hedging policy again served us well, with hedging gains contributing NZ$22.3 million (2010: NZ$16.5 million) to operating profit.

As we increase our number of direct sales operations an increasing proportion of our revenue is generated in local currencies, reducing our operating revenue exposure to the US dollar. Our cost base is also becoming more diverse, as we increase our manufacturing output from Mexico. Our hedging for the second half of the financial year and beyond on our main exposures, the US dollar and Euro, at the date of this report is:

	FINANCIAL YEAR			
	2012[2]	2013	2014	2015
USD cover	89%	40%	17%	0%
USD rate of cover	0.70	0.74	0.73	–
USD close-out value to Income Statement (NZD000's)	$9,048	$17,781	$21,269	$0
EUR cover	86%	47%	40%	32%
EUR rate of cover	0.48	0.42	0.41	0.40

The reported results for the six months ended 30 September 2011 were impacted by significant movements in the value of the New Zealand dollar when compared to the results for the six months ended 30 September 2010.

The foreign currency rates of our main exposures used for the six months ended 30 September 2010 and 2011 are denoted in the table below:

	SIX MONTHS ENDED 30 SEPTEMBER 2010 (AVERAGE DAILY EXCHANGE RATE)	SIX MONTHS ENDED 30 SEPTEMBER 2011 (AVERAGE DAILY EXCHANGE RATE)	31 MARCH 2011 (OPENING BALANCE SHEET RATE)	30 SEPTEMBER 2011 (CLOSING BALANCE SHEET RATE)
USD	0.7096	0.8165	0.7615	0.7614
EUR	0.5539	0.5728	0.5382	0.5688

There was a negative impact on earnings in the Income Statement as the average spot rates of foreign currency in the six months ended 30 September 2011 were unfavourable compared to the six months ended 30 September 2010; in the case of the US dollar an unfavourable movement of approximately 15%, and the Euro of approximately 3%. The impact of these movements negatively affected performance relative to the first half of the 2011 financial year by approximately NZ$24 million in relation to operating revenue and approximately NZ$11 million in relation to profit after tax.

The impact of balance sheet translations of offshore assets and liabilities for the six months ended 30 September 2011 resulted in a reduction in revenue of NZ$1.3 million (2010: NZ$1.2 million) and a reduction in operating profit of NZ$1.5 million (2010: NZ$1.6 million).

2 Second half of the financial year

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 10 to 28, which comprise the consolidated balance sheet as at 30 September 2011, the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of changes in equity and consolidated cash flow statement 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 2011, 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 2011 in accordance with the Review Engagement Standards issued by the New Zealand Institute of Chartered Accountants.

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 tax and other assurance services. These services have not impaired our independence as accountants of the Group.

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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 2011 and its financial performance and cash flows for the period ended on that date.

Restriction on Distribution or Use

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.

PricewaterhouseCoopers

Chartered Accountants | Auckland

23 November 2011

Consolidated Income Statement

	NOTES	UNAUDITED SIX MONTHS ENDED 30 SEPTEMBER 2010 NZ$000	UNAUDITED SIX MONTHS ENDED 30 SEPTEMBER 2011 NZ$000
Operating revenue	3	**244,971**	**251,977**
Cost of sales		(108,787)	(119,603)
Gross profit		136,184	132,374
Other income	4	–	1,200
Selling, general and administrative expenses		(75,190)	(72,346)
Research and development expenses		(18,558)	(19,850)
Total operating expenses		(93,748)	(92,196)
Operating profit before financing costs		**42,436**	**41,378**
Financing income		496	173
Financing expense		(2,792)	(2,578)
Exchange gain on foreign currency borrowings		1,235	1,376
Net financing income (expense)		**(1,061)**	**(1,029)**
Profit before tax	5	**41,375**	**40,349**
Tax expense excluding the effect of legislative changes in May 2010	6	(12,787)	(12,078)
Profit after tax excluding legislative changes		**28,588**	**28,271**
Tax expense relating to legislative changes in May 2010	6	(11,715)	–
Profit after tax		**16,873**	**28,271**
Total tax expense	6	(24,502)	(12,078)
Basic earnings per share		3.3 cps	5.4 cps
Diluted earnings per share		3.2 cps	5.2 cps
Weighted average basic ordinary shares outstanding		514,872,915	522,918,159
Weighted average diluted ordinary shares outstanding		533,642,031	542,985,967

Consolidated Statement of Comprehensive Income

	UNAUDITED SIX MONTHS ENDED 30 SEPTEMBER 2010 NZ$000	AUDITED YEAR ENDED 31 MARCH 2011 NZ$000	UNAUDITED SIX MONTHS ENDED 30 SEPTEMBER 2011 NZ$000
Profit after tax	**16,873**	**52,466**	**28,271**
Other comprehensive income			
Cash flow hedge reserve – unrealised			
Changes in fair value	18,577	33,155	4,491
Transfers to profit before tax	(13,264)	(26,439)	(8,795)
Tax on changes in fair value and transfers to profit before tax	(1,594)	(2,015)	1,205
Effect of change in corporate tax rate	1,132	1,501	–
Cash flow hedge reserve – realised			
Transfers to profit before tax	–	–	(7,957)
Tax on transfers to profit before tax	–	–	2,387
Other comprehensive income, net of tax	**4,851**	**6,202**	**(8,669)**
Total comprehensive income	**21,724**	**58,668**	**19,602**

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									
Balance at 31 March 2010	**15,222**	**(2,222)**	**196,061**	**10,850**	**47,817**	**22,269**	**258**	**2,909**	**293,164**
Total comprehensive income	–	–	16,873	–	4,851	–	–	–	21,724
Dividends paid	–	–	(35,863)	–	–	–	–	–	(35,863)
Financial instruments monetised, net of tax									
Issue of share capital under dividend reinvestment plan	15,165	–	–	–	–	–	–	–	15,165
Issue of share capital	124	–	–	–	–	–	–	–	124
Movement in employee share entitlement reserve	–	–	–	–	–	–	77	–	77
Movement in employee share option reserve	–	–	–	–	–	–	–	(758)	(758)
Movement in treasury shares									
Increase in share capital under share option schemes for employee services	996	–	–	–	–	–	–	–	996
Employee share scheme shares issued for employee services									
Balance at 30 September 2010	**31,507**	**(2,222)**	**177,071**	**10,850**	**52,668**	**22,269**	**335**	**2,151**	**294,629**

Consolidated Statement of Changes in Equity continued

	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
Audited									
Balance at 31 March 2010	**15,222**	**(2,222)**	**196,061**	**10,850**	**47,817**	**22,269**	**258**	**2,909**	**293,164**
Total comprehensive income	–	–	52,466	–	6,202	–	–	–	58,668
Dividends paid	–	–	(63,807)	–	–	–	–	–	(63,807)
Financial instruments monetised, net of tax									
Issue of share capital under dividend reinvestment plan	23,088	–	–	–	–	–	–	–	23,088
Issue of share capital	253	–	–	–	–	–	–	–	253
Movement in employee share entitlement reserve	–	–	–	–	–	–	(105)	–	(105)
Movement in employee share option reserve	–	–	–	–	–	–	–	(348)	(348)
Movement in treasury shares	–	158	–	–	–	–	–	–	158
Increase in share capital under share option schemes for employee services	1,037	–	–	–	–	–	–	–	1,037
Employee share scheme shares issued for employee services	1,183	–	–	–	–	–	–	–	1,183
Balance at 31 March 2011	**40,783**	**(2,064)**	**184,720**	**10,850**	**54,019**	**22,269**	**153**	**2,561**	**313,291**
Unaudited									
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 Balance Sheet

	NOTES	UNAUDITED 30 SEPTEMBER 2010 NZ$000	AUDITED 31 MARCH 2011 NZ$000	UNAUDITED 30 SEPTEMBER 2011 NZ$000
ASSETS				
Current assets				
Cash and cash equivalents		6,164	6,110	7,523
Trade and other receivables	7	70,982	79,622	82,093
Inventories	8	86,539	80,101	83,354
Derivative financial instruments	16	25,078	20,225	22,566
Tax receivable		1,366	429	2,066
Total current assets		**190,129**	**186,487**	**197,602**
Non-current assets				
Property, plant and equipment		245,534	254,265	271,063
Intangible assets		4,672	5,390	5,501
Other receivables	7	1,418	1,537	1,425
Derivative financial instruments	16	55,256	61,095	38,391
Deferred tax asset	11	10,815	8,834	9,882
Total assets		**507,824**	**517,608**	**523,864**
LIABILITIES				
Current liabilities				
Interest-bearing liabilities	9	49,756	17,110	16,568
Trade and other payables	10	60,181	57,964	56,316
Provisions		3,582	3,370	3,033
Tax payable		263	3,716	5,733
Derivative financial instruments	16	2,033	2,018	3,433
Total current liabilities		**115,815**	**84,178**	**85,083**
Non-current liabilities				
Interest-bearing liabilities	9	58,285	81,937	94,121
Provisions		1,785	1,971	2,117
Other payables	10	6,095	5,449	6,167
Derivative financial instruments	16	4,801	3,580	7,569
Deferred tax liability	11	26,414	27,202	19,121
Total liabilities		**213,195**	**204,317**	**214,178**

Consolidated Balance Sheet continued

	NOTES	UNAUDITED 30 SEPTEMBER 2010 NZ$000	AUDITED 31 MARCH 2011 NZ$000	UNAUDITED 30 SEPTEMBER 2011 NZ$000
EQUITY				
Share capital		31,507	40,783	53,708
Treasury shares		(2,222)	(2,064)	(2,061)
Retained earnings		177,071	184,720	176,558
Asset revaluation reserve		10,850	10,850	10,850
Cash flow hedge reserve – unrealised		52,668	54,019	33,465
Cash flow hedge reserve – realised	16	22,269	22,269	34,154
Employee share entitlement reserve		335	153	225
Employee share option reserve		2,151	2,561	2,787
Total equity		**294,629**	**313,291**	**309,686**
Total liabilities and equity		**507,824**	**517,608**	**523,864**

On behalf of the Board
23 November 2011

GARY PAYKEL
CHAIRMAN

MICHAEL DANIELL
MANAGING DIRECTOR AND
CHIEF EXECUTIVE OFFICER

Consolidated Statement of Cash Flows

	NOTES	UNAUDITED SIX MONTHS ENDED 30 SEPTEMBER 2010 NZ$000	UNAUDITED SIX MONTHS ENDED 30 SEPTEMBER 2011 NZ$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		245,447	249,722
Receipts from derivative financial instruments monetised		–	20,597
Interest received		495	133
Payments to suppliers and employees		(202,778)	(211,268)
Tax paid		(19,178)	(14,294)
Interest paid		(2,738)	(1,804)
Net cash flows from operations	15	**21,248**	**43,086**
CASH FLOWS (USED IN) INVESTING ACTIVITIES			
Sales of property, plant and equipment		7	9
Purchases of property, plant and equipment		(22,754)	(26,271)
Purchases of intangible assets		(1,190)	(1,057)
Net cash flows (used in) investing activities		**(23,937)**	**(27,319)**
CASH FLOWS (USED IN) FINANCING ACTIVITIES			
Employee share purchase schemes		317	161
Issue of share capital under dividend reinvestment plan		15,165	12,821
Issue of share capital		124	105
New borrowings		25,175	23,520
Repayment of borrowings		(2,517)	(11,161)
Dividends paid		(35,863)	(36,433)
Supplementary dividends paid to overseas shareholders		(2,708)	(3,014)
Net cash flows (used in) financing activities		**(307)**	**(14,001)**
Net increase (decrease) in cash		(2,996)	1,766
Opening cash		(1,123)	(11,000)
Effect of foreign exchange rates		(101)	189
Closing cash		**(4,220)**	**(9,045)**
RECONCILIATION OF CLOSING CASH			
Cash and cash equivalents		6,164	7,523
Bank overdrafts	9	(10,384)	(16,568)
Closing cash		**(4,220)**	**(9,045)**

Notes to the Financial Statements

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

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 23 November 2011, 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 2011 have been prepared in accordance with NZ IAS 34 and IAS 34, *Interim Financial Reporting*.

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 2011, 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 2011, as described in those annual financial statements.

The following accounting standards and amendments to existing standards are not yet effective and have not been early adopted by the Group:

- ***Harmonisation Amendments*** sets 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 is reporting periods beginning on or after 1 July 2011. Amendments to a specific standard may be individually adopted early. If an entity were to elect to early adopt any of these amendments, the entity will need to disclose that fact and will also need to early adopt any related items in FRS-44. The Group expects there to be no material impact from the application of these amendments.

- **NZ IFRS 9, *'Financial Instruments'*,** which is effective from 1 January 2013, is the first step in the process to replace IAS 39, 'Financial instruments: recognition and measurement'. IFRS 9 introduces new requirements for classifying and measuring financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group is yet to assess IFRS 9's full impact, and has not yet decided when to adopt IFRS 9.

- **NZ IFRS 10, *'Consolidated Financial Statements'*** builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements. The standard provides additional guidance to assist in determining control where this is difficult to assess. This new standard might impact the entities that a group consolidates as its subsidiaries. The Group expects there to be no material impact from the application of this standard.

- **NZ IFRS 12, *'Disclosure of Interests in Other Entities'*** is a new standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group expects there to be no material impact from the application of this standard.

- **NZ IFRS 13, *'Fair Value Measurement'*,** which is effective from 1 January 2013, defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 does not determine when an asset, a liability or an entity's own equity instrument is measured at fair value. Rather, the measurement and disclosure requirements of IFRS 13 apply when another IFRS requires or permits the item to be measured at fair value (with limited exceptions). The Group expects there to be no material impact from the application of this standard.

Notes to the Financial Statements continued

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

	UNAUDITED SIX MONTHS ENDED 30 SEPTEMBER 2010 NZ$000	UNAUDITED SIX MONTHS ENDED 30 SEPTEMBER 2011 NZ$000
3. OPERATING REVENUE		
Revenue before hedging:		
North America	105,583	102,634
Europe	68,725	73,518
Asia Pacific	42,685	44,077
Other	11,492	9,492
Total revenue before hedging	228,485	229,721
Foreign exchange gain on hedged sales	16,486	22,256
Total operating revenue	**244,971**	**251,977**

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
	–	**1,200**
5. EXPENSES		
Profit before tax includes the following expenses:		
Depreciation	9,704	10,493
Amortisation:		
Patents and trademarks	608	614
Software	452	488
Total amortisation	1,060	1,102
Employee benefits expense	90,529	92,356
Rental expense	2,168	1,987
Trade receivables written off	98	41
Movement in provision for doubtful trade receivables	118	(8)

	UNAUDITED SIX MONTHS ENDED 30 SEPTEMBER 2010 NZ$000	UNAUDITED SIX MONTHS ENDED 30 SEPTEMBER 2011 NZ$000
6. TAX EXPENSE		
Profit before tax	**41,375**	**40,349**
Tax expense at the New Zealand rate of 28% (2010: 30%)	12,413	11,298
Adjustments to tax for:		
Non-assessable income	(134)	(33)
Non-deductible expenses	174	325
Foreign tax rates other than 28% (2010: 30%)	166	114
Effect of foreign currency translations	212	215
Other	(44)	159
Tax expense excluding the effect of legislative changes in May 2010	**12,787**	**12,078**
Impact of reduction in tax rate from 30% to 28%	987	–
Impact of statutory change in depreciation on buildings	10,728	–
Tax expense relating to legislative changes in May 2010	**11,715**	**–**
Total tax expense	**24,502**	**12,078**

As a result of the change in the NZ corporate tax rate from 30% to 28% that was enacted on 27 May 2010 and was effective from 1 April 2011, the relevant deferred tax balances were re-measured. Deferred tax that was expected to reverse in the period to 31 March 2012 or later was measured using the effective rate that would apply for the period, being 28%.

Buildings were formerly depreciated for tax purposes. As a result of the change in tax legislation that was enacted on 27 May 2010, and was effective from 1 April 2011, the tax depreciation rate on buildings with an estimated useful life of 50 years or more was reduced to 0%. This significantly reduced the tax base of the Group's buildings, resulting in an increase to the deferred tax liability of $10,728,000, which was recognised in the tax expense in the prior period.

Notes to the Financial Statements continued

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

	UNAUDITED 30 SEPTEMBER 2010 NZ$000	AUDITED 31 MARCH 2011 NZ$000	UNAUDITED 30 SEPTEMBER 2011 NZ$000
7. TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade receivables	63,308	71,561	69,279
Less provision for doubtful trade receivables	(1,074)	(945)	(937)
	62,234	70,616	68,342
Other receivables	8,748	9,006	13,751
	70,982	**79,622**	**82,093**
NON-CURRENT			
Other receivables	1,418	1,537	1,425
	1,418	**1,537**	**1,425**
8. INVENTORIES			
Materials	21,585	23,394	21,030
Finished products	68,704	60,829	66,625
Provision for obsolescence	(3,750)	(4,122)	(4,301)
	86,539	**80,101**	**83,354**
9. INTEREST-BEARING LIABILITIES			
CURRENT			
Bank overdrafts	10,384	17,110	16,568
Borrowings	39,372	–	–
	49,756	**17,110**	**16,568**
NON-CURRENT			
Borrowings	58,285	81,937	94,121
	58,285	**81,937**	**94,121**

	UNAUDITED 30 SEPTEMBER 2010 NZ$000	AUDITED 31 MARCH 2011 NZ$000	UNAUDITED 30 SEPTEMBER 2011 NZ$000
10. TRADE AND OTHER PAYABLES			
CURRENT			
Trade payables	26,307	21,117	20,230
Employee entitlements	21,293	20,148	22,807
Other payables and accruals	12,581	16,699	13,279
	60,181	**57,964**	**56,316**
NON-CURRENT			
Employee entitlements	3,586	3,524	3,773
Other payables and accruals	2,509	1,925	2,394
	6,095	**5,449**	**6,167**
11. DEFERRED TAX			
OPENING BALANCE			
Deferred tax asset	11,011	11,011	8,834
Deferred tax liability	(15,217)	(15,217)	(27,202)
	(4,206)	**(4,206)**	**(18,368)**
MOVEMENTS			
Credited/(charged) to the Income Statement	784	(3,669)	1,136
Credited/(charged) to Other Comprehensive Income	(1,594)	(514)	1,205
Transfers to current tax on monetisation of financial instruments	–	–	6,788
Change relating to legislative changes in May 2010	(10,583)	(9,979)	–
	(11,393)	(14,162)	9,129
CLOSING BALANCE			
Deferred tax asset	10,815	8,834	9,882
Deferred tax liability	(26,414)	(27,202)	(19,121)
	(15,599)	**(18,368)**	**(9,239)**
12. CAPITAL EXPENDITURE COMMITMENTS			
Capital expenditure commitments contracted for but not recognised as at the reporting date:			
Within one year	10,779	56,587	60,105
Between one and two years	–	19,524	2,612
Between two and five years			
	10,779	**76,111**	**62,717**

Capital expenditure commitments are significantly larger in the current period as a result of the commitment to the third building on the Company's East Tamaki site, as announced in December 2010.

Notes to the Financial Statements continued

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

	UNAUDITED 30 SEPTEMBER 2010 NZ$000	AUDITED 31 MARCH 2011 NZ$000	UNAUDITED 30 SEPTEMBER 2011 NZ$000
13. OPERATING LEASE COMMITMENTS			
Gross commitments under non-cancellable operating leases:			
Within one year	5,547	5,351	4,893
Between one and two years	3,983	3,382	3,547
Between two and five years	4,061	2,960	3,983
Over five years	5,471	4,233	3,668
	19,062	**15,926**	**16,091**

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.

	UNAUDITED SIX MONTHS ENDED 30 SEPTEMBER 2010 NZ$000	UNAUDITED SIX MONTHS ENDED 30 SEPTEMBER 2011 NZ$000
15. CASH FLOW RECONCILIATIONS		
Profit after tax	**16,873**	**28,271**
Add (deduct) non-cash items:		
Depreciation and writedown of property, plant and equipment to recoverable amount	9,704	10,493
Cash flow hedge gain from monetised instruments, net of tax	–	(5,570)
Amortisation of intangibles	1,060	1,102
Accrued financing income/expense	(24)	(8)
Movement in provisions	(510)	(191)
Movement in deferred tax asset/liability	10,931	(1,136)
Movement in foreign currency option contracts time value	(135)	712
Movement in working capital:		
Trade and other receivables	654	(2,359)
Inventory	(14,776)	(3,253)
Trade and other payables	3,822	(1,968)
Provision for tax net of supplementary dividend paid	(5,525)	3,394
Foreign currency translation	(826)	(3,856)
Add non-Income Statement items:		
Monetised cash flow hedges	–	17,455
Net cash flows from operations	**21,248**	**43,086**

	UNAUDITED 30 SEPTEMBER 2010		AUDITED 31 MARCH 2011		UNAUDITED 30 SEPTEMBER 2011	
	ASSETS NZ$000	LIABILITIES NZ$000	ASSETS NZ$000	LIABILITIES NZ$000	ASSETS NZ$000	LIABILITIES NZ$000
16. DERIVATIVE FINANCIAL INSTRUMENTS						
CURRENT						
Foreign currency forward exchange contracts	24,169	504	18,813	527	22,091	733
Foreign currency option contracts	909	–	1,412	–	475	792
Interest rate swaps	–	1,529	–	1,491	–	1,908
	25,078	**2,033**	**20,225**	**2,018**	**22,566**	**3,433**
NON-CURRENT						
Foreign currency forward exchange contracts	55,193	234	60,002	444	38,375	2,122
Foreign currency option contracts	–	–	–	–	16	72
Interest rate swaps	63	4,567	1,093	3,136	–	5,375
	55,256	**4,801**	**61,095**	**3,580**	**38,391**	**7,569**

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

	UNAUDITED 30 SEPTEMBER 2010 NZ$000	AUDITED 31 MARCH 2011 NZ$000	UNAUDITED 30 SEPTEMBER 2011 NZ$000
Purchase commitments forward exchange contracts	12,780	15,580	24,780
Sale commitments forward exchange contracts	522,069	489,480	391,552
Foreign currency borrowing forward exchange contracts	25,703	15,644	14,628
NZD call option contracts purchased	–	1,633	2,616
Collar option contracts – NZD call option purchased (i)	11,938	26,645	51,215
Collar option contracts – NZD call option sold (i)	12,744	28,943	55,819

(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:

	FOREIGN CURRENCY		
	UNAUDITED 30 SEPTEMBER 2010 000S	AUDITED 31 MARCH 2011 000S	UNAUDITED 30 SEPTEMBER 2011 000S
United States dollars	US$113,000	US$105,500	US$86,000
European Union euros	€98,800	€97,600	€84,725
Australian dollars	A$13,100	A$16,600	A$13,500
British pounds	£25	£2,700	£2,330
Canadian dollars	C$24,525	C$22,675	C$18,800
Japanese yen	¥2,407,000	¥2,640,000	¥2,677,000
Swedish kronor	kr500	kr2,500	kr0
Danish krone	kr0	kr750	kr0

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 remains within Cash Flow Hedge Reserve – Realised, until the original forecast transaction occurs, during the 2012–2014 financial years, relating to the forward exchange contracts monetised. During the first half of the 2012 financial year a benefit of $7,957,000 ($5,570,000 after tax) was released to the Income Statement and included as part of the foreign exchange gain on hedged sales within revenue.

During the first half of the 2012 financial year forward exchange contracts with foreign currency contractual amounts totalling US$34 million had been monetised (closed out) with the NZ dollar benefit of $24,243,000 ($17,455,000 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 transaction occurs, during the 2013 - 2014 financial years, relating to the forward exchange contracts monetised.

In total a further benefit of $48,099,000 ($34,154,000 after tax) will be released to the Income Statement as follows:

Financial year	NZ$000
2012	9,048
2013	17,781
2014	21,270
	48,099

16. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

	FOREIGN CURRENCY		
	UNAUDITED 30 SEPTEMBER 2010 000S	AUDITED 31 MARCH 2011 000S	UNAUDITED 30 SEPTEMBER 2011 000S
Mexican pesos	Mex$123,000	Mex$150,000	Mex$244,079

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

	UNAUDITED 30 SEPTEMBER 2010 NZ$000	AUDITED 31 MARCH 2011 NZ$000	UNAUDITED 30 SEPTEMBER 2011 NZ$000
Interest rate swaps	109,717	111,663	114,585

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.

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 2010		UNAUDITED SIX MONTHS ENDED 30 SEPTEMBER 2011	
	DIRECTORS FEES NZ$000	DIVIDENDS NZ$000	DIRECTORS FEES NZ$000	DIVIDENDS NZ$000
Non-executive directors				
Gary Paykel	90	202	90	155
Nigel Evans	50	2	50	2
Roger France	55	2	55	2
Lindsay Gillanders	40	51	45	50
Sir Colin Maiden	55	6	–	–
Arthur Morris	40	–	40	–
Tony Carter	–	–	51	4
Executive director				
Michael Daniell	–	73	–	71

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.

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) **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, Sweden and Turkey, principally sales, distribution and administration activities. These sales and distribution hubs also distribute product into neighbouring European countries.
3) **Asia-Pacific.** Includes all activities controlled by entities or employees based in Australia, Japan, India, China, Taiwan and Hong Kong, 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.

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 2011.

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.

18. SEGMENT INFORMATION (CONTINUED)

	NEW ZEALAND NZ$000	NORTH AMERICA NZ$000	EUROPE NZ$000	ASIA-PACIFIC NZ$000	ELIMIN-ATIONS NZ$000	TOTAL NZ$000
Operating Segments – 30 September 2010 (Unaudited)						
Sales revenue – external	30,594	105,583	63,066	29,242	–	228,485
Sales revenue – internal	145,253	267	236	–	(145,756)	–
Foreign exchange gain on hedged sales	16,486	–	–	–	–	16,486
Total operating revenue	**192,333**	**105,850**	**63,302**	**29,242**	**(145,756)**	**244,971**
Other income						
Depreciation and amortisation	10,231	173	191	169	–	10,764
Reportable segment operating profit before financing costs	**41,180**	**2,650**	**512**	**860**	**(2,766)**	**42,436**
Financing income	1,142	–	–	1	(647)	496
Financing expense	(2,508)	(541)	(300)	(90)	647	(2,792)
Exchange gain on foreign currency borrowings	1,235	–	–	–	–	1,235
Reportable segment assets	**458,711**	**73,055**	**54,266**	**27,020**	**(105,228)**	**507,824**
Reportable segment capital expenditure	**23,250**	**241**	**160**	**293**	**–**	**23,944**
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**

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 SIX MONTHS ENDED 30 SEPTEMBER 2010 NZ$000	UNAUDITED SIX MONTHS ENDED 30 SEPTEMBER 2011 NZ$000
Respiratory & acute care	124,055	131,828
Obstructive sleep apnea	113,910	113,149
Core products subtotal	237,965	244,977
Distributed and other	7,006	7,000
Total revenue	**244,971**	**251,977**

Major Customer

Revenues from one customer of the North America segment (being its distributor to US hospitals) represents approximately $33.8 million (2010: $29.3 million) of the Group's total revenues.

19. SUBSEQUENT EVENTS

On 23 November 2011 the directors approved the payment of a fully imputed 2012 interim dividend of $28,370,919 (5.4 cents per share) to be paid on 16 December 2011.

Statutory Information

GROUP STRUCTURE

As at 23 November 2011

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 2011 are as follows:

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

During the six months to 30 September 2011, at the Annual Meeting of Shareholders held on 19 August 2011,

- Gary Paykel and Lindsay Gillanders retired by rotation in accordance with the Company's constitution, and were re-elected to the Board;
- Tony Carter retired following his casual appointment in accordance with the Company's constitution, and was re-elected to the Board; and
- It was announced that Tony Carter would succeed Gary Paykel as Chairman from 1 April 2012.

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
Email address:	investor@fphcare.co.nz
Internet address:	www.fphcare.com

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

SHARE REGISTRAR

New Zealand

Computershare Investor Services Limited

Physical address:	Level 2, 159 Hurstmere Road, Takapuna, Auckland, New Zealand
Postal address:	Private Bag 92119, Auckland 1142, New Zealand
Telephone:	+64 9 488 8777
Facsimile:	+64 9 488 8787
Email address:	enquiry@computershare.co.nz
Internet address:	www.computershare.co.nz/investorcentre

Australia

Computershare Investor Services Pty Limited

Physical address:	Yarra Falls, 452 Johnston Street, Abbotsford, VIC 3067, Australia
Postal address:	GPO Box 2975, Melbourne, VIC 3001, Australia
Facsimile:	+61 3 9473 2500
Investor enquiries:	1 800 501 366 (for use within Australia only)
Email address:	enquiry@computershare.co.nz
Internet address:	www.computershare.co.nz/investorcentre

STOCK EXCHANGES

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

INCORPORATION

The Company was incorporated in Auckland, New Zealand.

Our International Presence

Our own people are now located in 32 countries and our products are sold in over 120 countries. This helps us to ensure that our product range is well supported and new products or applications for our products are quickly brought to the attention of health professionals and our customers.

www.fphcare.com