

News Release

STOCK EXCHANGE LISTINGS: NEW ZEALAND (FPH), AUSTRALIA (FPH)

FISHER & PAYKEL HEALTHCARE REPORTS RECORD FIRST HALF OPERATING PROFIT FROM STRONG PRODUCT GROWTH

Auckland, New Zealand, 10 November 2004 - Fisher & Paykel Healthcare Corporation Limited (NZX:FPH, ASX:FPH) announced today that ongoing growth from new products has contributed to record operating profit and a higher interim dividend.

The company achieved an operating profit of NZ\$41.7 million, up 13% on the prior comparable period, and record revenue of NZ\$117.4 million for the six months ended 30 September 2004.

For the six months the company derived approximately 60% of its revenue in US dollars. In US dollar terms, revenue increased by 24% and operating profit increased by 25% compared with the prior comparable six month period. Operating margin continued to be very strong at 35.5%.

Strong acceptance of new products in each of the company's respiratory humidification, obstructive sleep apnea (OSA) and neonatal categories helped generate the increases. Recent significant new product releases are expected to deliver ongoing growth.

Profit after tax increased 11% to NZ\$28.1 million for the six months compared with NZ\$25.2 million in the prior comparable period.

Dividend

The company's directors have approved an increased interim dividend for the financial year ending 31 March 2005 of NZD 5 cents per ordinary share, carrying full imputation credit. This dividend is equivalent to 25 cents per share prior to October's five for one subdivision. Non-resident shareholders will receive a supplementary dividend of 0.882 cents per share. The interim dividend will be paid on 3 December 2004, with a record date of 23 November, and an ex-dividend date of 17 November for the ASX and 24 November for the NZX.

Revenue Growth

Operating revenue for the company's core product range grew 25%, in US dollar terms, over the prior comparable six month period. This increase was driven by strong growth in sales of respiratory humidification systems, devices for the treatment of obstructive sleep apnea and neonatal and warming products. Respiratory humidification revenue increased by 16%, OSA revenue increased by 34% and neonatal and warming revenue increased by 46% in US dollar terms.

"We are again very encouraged by the strong revenue growth of our respiratory humidification product group. This was driven by increased penetration of our MR850 respiratory humidifier technology and strong market share gains in both adult and neonatal breathing circuits," said Managing Director and Chief Executive Officer, Michael Daniell.

"Vigorous OSA product group revenue growth, in US dollar terms, was driven by combined growth of more than 70% in nasal masks and CPAP flow generators. Our expanded FlexiFit mask range has been very well accepted by both dealers and end users," commented Mr Daniell.

Strong growth in the neonatal and warming product group was from both neonatal warmers and neonatal breathing systems, which include the company's infant CPAP system and infant resuscitator.

Research & Development, SG&A

Research and development expenses increased by 21% to NZ\$8.2 million or 7.0% of revenue for the six months ended 30 September 2004 compared to 6.4% in the prior corresponding period. This was largely due to increased product development activity and the number of new products released during the six months.

Selling, general and administrative expenses grew 14% to NZ\$34.5 million, or approximately 19% in constant currency terms, as the company continued to expand its operations and its sales teams in North America, Europe and Asia.

Outlook

"We are planning further significant new product introductions over the next twelve months, including a new humidifier system for use in hospital oxygen therapy as well as additions to our flow generator and mask product ranges.

Site works have started for a 23,300m² building in addition to the existing 28,000m² facility on our Auckland site. This will provide space for additional manufacturing and R&D capacity on completion in mid 2006.

We will continue to grow our international sales activities. For the full year we expect a continuation of strong US dollar revenue growth with revenue to be in the range of US\$155 million to US\$160 million," said Mr. Daniell. "We expect operating margin percentage for the full year to continue to be in the mid thirties."

Foreign Exchange Hedging

The company currently has in place a mix of foreign exchange contracts and call options, the majority of which are up to 18 months forward, with a face value of approximately NZ\$267 million. These instruments are at average exchange rates of approximately 0.43 US dollars and 0.43 Euros to the New Zealand dollar and are to protect the company from exchange rate volatility.

Financial Statements

Attached to this news release are condensed financial statements in both NZ dollars and US dollars.

Half Year Results Conference Call

Fisher & Paykel Healthcare will host a conference call to review these results and to discuss the outlook for the remainder of the 2005 financial year. The conference call will be broadcast simultaneously over the Internet.

To listen to the webcast, to be held at 10:00am NZDT, 8:00am AEDT on Wednesday 10 November (4:00pm UEST, Tuesday 9 November), access the company's website at www.fphcare.com. Please allow extra time prior to the webcast to visit the site and download the streaming media software required. An online archive of the event will be available approximately two hours after the webcast and will remain onsite for approximately two weeks.

An audio replay of the conference call will also be available from approximately 11am NZDT on 10 November for two weeks. To listen to the replay dial +61 3 9221 4752. The passcode to access the recording is 075010.

About Fisher & Paykel Healthcare

Fisher & Paykel Healthcare is a leading designer, manufacturer and marketer of heated humidification products and systems for use in respiratory care and the treatment of obstructive sleep apnea. It also offers an innovative range of patient warming devices and neonatal care products. The company's products are sold in over 90 countries worldwide.

For further information contact Michael Daniell MD/CEO on +64 9 574 0161 or Tony Barclay CFO on +64 9 574 0119 at Fisher & Paykel Healthcare Corporation Limited or visit the company's website at www.fphcare.com.

**FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED
AND SUBSIDIARIES**

**Condensed Statements of Financial Performance
(In thousands of NZ dollars, except per share data)**

	Six Months Ended 30 September	
	2004	2003
Operating revenue	\$117,428	\$104,901
Cost of Sales	33,010	30,898
Gross Profit	84,418	74,003
Operating expenses:		
Selling, general and administrative	34,477	30,255
Research and development	8,203	6,764
Total operating expenses	42,680	37,019
Operating profit	41,738	36,984
Other income (expenses), net:		
Interest income (expense), net	706	926
Other income	570	-
Total other income (expenses), net	1,276	926
Profit before taxation	43,014	37,910
Taxation	(14,884)	(12,674)
Profit after taxation	\$28,130	\$25,236
Basic earnings per share*	5.5 cps	4.9 cps
Diluted earnings per share*	5.4 cps	4.8 cps
Weighted average basic shares outstanding	508,851,500	512,183,995
Weighted average diluted shares outstanding	522,502,395	524,077,495

*Note that shares outstanding, and therefore earnings per share, has been adjusted to allow for the subsequent 5 for 1 share subdivision on 1 October 2004.

Operating Revenue
(In thousands of NZ dollars)

	Six Months Ended 30 September	
	2004	2003
Respiratory humidification products	\$58,267	\$55,746
OSA products	45,694	37,924
Patient warming and neonatal care products	9,153	6,951
Core products sub-total	113,114	100,621
Distributed products	4,314	4,280
Total	\$117,428	\$104,901

Condensed Statements of Financial Position
(In thousands of NZ dollars)

	As of 30 September	
	2004	2003
Cash	\$17,226	\$23,212
Short-term investments	22,000	29,700
Debtors and prepayments	51,426	47,442
Inventories	27,226	24,604
Other current assets	4,004	1,879
Total current assets	121,882	126,837
Property, plant and equipment	72,989	72,008
Other assets	21,592	26,117
Total assets	\$216,463	\$224,962
Current liabilities	\$32,130	\$34,454
Long-term liabilities	994	454
Shareholders' equity	183,339	190,054
Total liabilities and shareholders' equity	\$216,463	\$224,962

Condensed Statement of Cash Flows
(In thousands of NZ dollars)

Six Months Ended
30 September

	2004	2003
Cashflow from Operating Activities:		
Receipts from Customers	\$135,981	\$119,746
Payments to Suppliers	(87,647)	(75,430)
Interest Paid	(99)	(56)
Interest Received	892	1,207
Dividends Received	4	-
Tax Paid	(14,807)	(9,278)
Net Cashflow from Operations	34,324	36,189
Cashflow from (used in) Investing Activities:		
Net Purchase of Property, Plant and Equipment	(5,280)	(4,785)
Net Sale (Purchase) of Short-Term Investments	(4,850)	5,187
Net Cashflow from (used in) Investing	(10,130)	402
Cashflow (used in) Financing Activities:		
Employee Share Purchase Schemes	784	797
Net (Repurchase) of Share Capital	(7,837)	-
Dividends Paid	(31,124)	(29,656)
Net Cashflow (used in) Financing	(38,177)	(28,859)
Net (Decrease) Increase in Cash	(13,983)	7,732
Opening Cash	24,252	12,230
Effect of Foreign Exchange Rates	27	(203)
Closing Cash	\$10,296	\$19,759
 Reconciliation of Closing Cash		
Bank	\$17,226	\$23,212
Bank overdrafts	(6,930)	(3,453)
Closing Cash	\$10,296	\$19,759

**FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED
AND SUBSIDIARIES**
Condensed Statements of Financial Performance
(In thousands of US dollars, except per share data)

	Six Months Ended 30 September	
	2004	2003
Operating revenue	\$75,048	\$60,329
Cost of Sales	21,097	17,769
Gross Profit	53,951	42,560
Operating expenses:		
Selling, general and administrative	22,034	17,399
Research and development	5,243	3,890
Total operating expenses	27,277	21,289
Operating profit	26,674	21,271
Other income (expenses), net:		
Interest income (expense), net	451	532
Other income	364	-
Total other income (expenses), net	815	532
Profit before taxation	27,489	21,803
Taxation	(9,512)	(7,289)
Profit after taxation	\$17,977	\$14,514
Basic earnings per share*	3.5 cps	2.8 cps
Diluted earnings per share*	3.4 cps	2.8 cps
Weighted average basic shares outstanding	508,851,500	512,183,995
Weighted average diluted shares outstanding	522,502,395	524,077,495

*Note that shares outstanding, and therefore earnings per share, has been adjusted to allow for the subsequent 5 for 1 share subdivision on 1 October 2004.

Operating Revenue
(In thousands of US dollars)

	Six Months Ended 30 September	
	2004	2003
Respiratory humidification products	\$37,223	\$32,028
OSA products	29,223	21,833
Patient warming and neonatal care products	5,850	4,001
Core products sub-total	72,296	57,862
Distributed products	2,752	2,467
Total	\$75,048	\$60,329

Condensed Statement of Financial Position
(In thousands of US dollars)

	As of 30 September	
	2004	2003
Cash	\$11,531	\$13,795
Short-term investments	14,727	17,651
Debtors and prepayments	34,424	28,195
Inventories	18,225	14,622
Other current assets	2,680	1,117
Total current assets	81,587	75,380
Property, plant and equipment	48,859	42,794
Other assets	14,453	15,521
Total assets	\$144,899	\$133,695
Current liabilities	\$21,506	\$20,476
Long-term liabilities	666	270
Shareholders' equity	122,727	112,949
Total liabilities and shareholders' equity	\$144,899	\$133,695

Condensed Statement of Cash Flows
(In thousands of US dollars)

Six Months Ended
30 September

	2004	2003
Cashflow from Operating Activities:		
Receipts from Customers	\$86,905	\$68,902
Payments to Suppliers	(56,008)	(43,402)
Interest Paid	(63)	(32)
Interest Received	570	694
Dividends Received	3	-
Tax Paid	(9,463)	(5,338)
Net Cashflow from Operations	21,944	20,824
Cashflow from (used in) Investing Activities:		
Net Purchase of Property, Plant and Equipment	(3,374)	(2,754)
Net Sale (Purchase) of Short-Term Investments	(3,100)	2,985
Net Cashflow from (used in) Investing	(6,474)	231
Cashflow (used in) Financing Activities:		
Employee Share Purchase Schemes	501	459
Net (Repurchase) of Share Capital	(5,008)	-
Dividends Paid	(19,891)	(17,064)
Net Cashflow (used in) Financing	(24,398)	(16,605)
Net (Decrease) Increase in Cash	(8,928)	4,450
Opening Cash	16,031	6,769
Effect of Foreign Exchange Rates	(211)	524
Closing Cash	\$6,892	\$11,743
 Reconciliation of Closing Cash		
Bank	\$11,531	\$13,795
Bank overdrafts	(4,639)	(2,052)
Closing Cash	\$6,892	\$11,743

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