

News Release

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

FISHER & PAYKEL HEALTHCARE REPORTS RECORD FIRST HALF REVENUE AND OPERATING PROFIT

Auckland, New Zealand, 17 November 2005 - Fisher & Paykel Healthcare Corporation Limited (NZSX:FPH, ASX:FPH) announced today that 42% OSA product group revenue growth, in US dollar terms, contributed to a 14% increase in first half operating profit to a record NZ\$47.4 million. The company has announced a higher interim dividend with profit after tax up 12% to NZ\$31.6 million.

Over the period the company derived approximately 61% of its revenue in US dollars. In US dollar terms, total revenue for the six months ended 30 September 2005 increased by 27% and operating profit increased by 25% compared with the prior comparable period. Operating margin continued to be very strong at 35.0%.

Revenue growth was achieved through market share gains by the company's expanding product range and its increasing activities in international markets.

Chief Executive Officer, Michael Daniell said that robust revenue growth in each of the company's obstructive sleep apnea (OSA), respiratory humidification and neonatal categories helped generate the earnings growth.

Dividend

The company's directors have approved an increased interim dividend for the financial year ending 31 March 2006 of NZD 5.4 cents per ordinary share (2005: 5.0 cents), carrying full imputation credit. Non-resident shareholders will receive a supplementary dividend of NZD 0.953 cents per share (2005: 0.882 cents). The interim dividend will be paid on 9 December 2005, with a record date of 1 December, and an ex-dividend date of 25 November for the ASX and 2 December for the NZSX.

Revenue Growth

Operating revenue for the company's core product range grew 27%, in US dollar terms, over the prior comparable six months. OSA revenue increased by 42%, respiratory humidification revenue increased by 16%, and neonatal and warming revenue increased by 28% in US dollar terms.

"The worldwide market for OSA treatment devices continues to grow rapidly and we are very encouraged by the progress we are making in that growing market. Our OSA product group growth was driven by combined revenue growth of approximately 64%, in US dollar terms, from nasal masks and CPAP flow generators.

Revenue growth in our respiratory humidification product group continues to be driven by market share gains in both adult and neonatal breathing circuits, due primarily to increasing penetration of our MR850 respiratory humidifier technology," commented Mr Daniell.

Strong growth in the neonatal and warming product group reflected increasing demand for the company's neonatal warmers and neonatal breathing systems, which include infant CPAP and resuscitator devices.

Research & Development, SG&A

Research and development expenses increased by 2% to NZ\$8.3 million representing 6.2% of revenue for the six months ended 30 September 2005. The company has introduced a number of significant new products this year including a range of non-invasive ventilation masks, the FlexiFit™ 406 petite nasal mask and the MR880 humidifier system for oxygen and humidity therapy. Current new product projects include additional breathing system consumables, flow generators and masks.

Selling, general and administrative expenses grew 16% to NZ\$39.9 million, or approximately 23% in constant currency terms, as the company continued to expand its operations and its sales teams in North America, Europe and Asia.

Foreign Exchange Hedging

The company has in place a mix of foreign exchange contracts and call options with a face value of approximately NZ\$133 million, the majority of which are up to six months forward. These instruments are at average exchange rates of approximately 0.45 US dollars and 0.50 Euros to the New Zealand dollar and are to protect the company from exchange rate volatility.

Outlook

Construction of the new 23,300m² building in addition to the existing 28,000m² facility on the company's Auckland site is progressing to plan. The new building, which will be occupied primarily by the OSA product group, will provide space for increased manufacturing and R&D capacity on completion in mid 2006.

"Our performance in the six months to 30 September 2005, coupled with the introduction of new products and growth in our international sales activities give us confidence of a strong result for the full year.

For the full year we expect a continuation of robust US dollar revenue growth with full year revenue to be in the range of US\$195 million to US\$200 million. We expect operating margin percentage to continue to be in the mid thirties," commented Mr Daniell.

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 the results and to discuss the outlook for the remainder of the 2006 financial year. The conference call is scheduled to begin at 10:00am NZDT, 8:00am AEDT (4 pm USEST, Wed 16 Nov) and will be broadcast simultaneously over the Internet.

To listen to the webcast 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 two weeks.

To participate in the conference call please dial in to one of the numbers below a few minutes prior to the scheduled call time and identify yourself to the operator:

| | |
|-----------------------|-----------------|
| New Zealand Toll Free | 0800 449 118 |
| Australia Toll Free | 1800 555 619 |
| USA Toll Free | 1866 369 4113 |
| International | +61 3 9221 4420 |

An audio replay of the conference call will be available approximately 60 minutes after the call and will be accessible for two weeks at +61 3 9221 4752, access code 058037.

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 more information about the company visit www.fphcare.com

Contact: Michael Daniell MD/CEO on +64 9 574 0161 or Tony Barclay CFO on +64 9 574 0119.

**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 | |
|---|--|-------------|
| | 2005 | 2004 |
| Operating revenue | \$135,438 | \$117,428 |
| Cost of Sales | 39,805 | 33,010 |
| Gross Profit | 95,633 | 84,418 |
| Operating expenses: | | |
| Selling, general and administrative | 39,899 | 34,477 |
| Research and development | 8,345 | 8,203 |
| Total operating expenses | 48,244 | 42,680 |
| Operating profit | 47,389 | 41,738 |
| Other income (expenses), net: | | |
| Interest income (expense), net | 283 | 706 |
| Other income | - | 570 |
| Total other income (expenses), net | 283 | 1,276 |
| Profit before taxation | 47,672 | 43,014 |
| Taxation | (16,083) | (14,884) |
| Profit after taxation | \$31,589 | \$28,130 |
| Basic earnings per share | 6.2 cps | 5.5 cps |
| Diluted earnings per share | 6.0 cps | 5.4 cps |
| Weighted average basic shares outstanding | 507,810,153 | 508,851,500 |
| Weighted average diluted shares outstanding | 524,482,177 | 522,502,395 |

Operating Revenue
(In thousands of NZ dollars)

| | Six Months Ended 30 September | |
|--|--|-------------|
| | 2005 | 2004 |
| Respiratory humidification products | \$61,378 | \$58,267 |
| OSA products | 59,312 | 45,694 |
| Patient warming and neonatal care products | 10,648 | 9,153 |
| Core products sub-total | 131,338 | 113,114 |
| Distributed products | 4,100 | 4,314 |
| Total | \$135,438 | \$117,428 |

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

| | As at 30 September | |
|--|---------------------------|-------------|
| | 2005 | 2004 |
| Cash | \$20,204 | \$17,226 |
| Short-term investments | 4,000 | 22,000 |
| Debtors and prepayments | 52,458 | 51,426 |
| Inventories | 31,435 | 27,226 |
| Other current assets | 1,644 | 4,004 |
| Total current assets | 109,741 | 121,882 |
| Property, plant and equipment | 102,589 | 72,989 |
| Other assets | 18,544 | 21,592 |
| Total assets | \$230,874 | \$216,463 |
| Current liabilities | \$38,349 | \$32,130 |
| Long-term liabilities | 935 | 994 |
| Shareholders' equity | 191,590 | 183,339 |
| Total liabilities and shareholders' equity | \$230,874 | \$216,463 |

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

Six Months Ended
30 September

| | 2005 | 2004 |
|---|-------------|-------------|
| Cashflow from Operating Activities: | | |
| Receipts from Customers | \$155,706 | \$135,981 |
| Payments to Suppliers | (98,308) | (87,647) |
| Interest Paid | (82) | (99) |
| Interest Received | 715 | 892 |
| Dividends Received | 3 | 4 |
| Tax Paid | (10,531) | (14,807) |
| Net Cashflow from Operations | 47,503 | 34,324 |
| Cashflow (used in) Investing Activities: | | |
| Net Purchase of Property, Plant and Equipment | (25,730) | (4,822) |
| Patent and Trademark Registration Costs | (626) | (458) |
| Net Sale (Purchase) of Short-Term Investments | 9,803 | (4,850) |
| Net Cashflow (used in) Investing | (16,553) | (10,130) |
| Cashflow (used in) Financing Activities: | | |
| Employee Share Purchase Schemes | 181 | 784 |
| Net (Repurchase) of Share Capital | (3,766) | (7,837) |
| Net Drawdown of Borrowings | 2,138 | - |
| Dividends Paid | (32,071) | (31,124) |
| Net Cashflow (used in) Financing | (33,518) | (38,177) |
| Net (Decrease) in Cash | (2,568) | (13,983) |
| Opening Cash | 16,816 | 24,252 |
| Effect of Foreign Exchange Rates | 281 | 27 |
| Closing Cash | \$14,529 | \$10,296 |
| Reconciliation of Closing Cash | | |
| Bank | \$20,204 | \$17,226 |
| Bank overdrafts | (5,675) | (6,930) |
| Closing Cash | \$14,529 | \$10,296 |

**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 | |
|---|--|-------------|
| | 2005 | 2004 |
| Operating revenue | \$95,037 | \$75,048 |
| Cost of Sales | 27,931 | 21,097 |
| Gross Profit | 67,106 | 53,951 |
| Operating expenses: | | |
| Selling, general and administrative | 27,997 | 22,034 |
| Research and development | 5,856 | 5,243 |
| Total operating expenses | 33,853 | 27,277 |
| Operating profit | 33,253 | 26,674 |
| Other income (expenses), net: | | |
| Interest income (expense), net | 199 | 451 |
| Other income | - | 364 |
| Total other income (expenses), net | 199 | 815 |
| Profit before taxation | 33,452 | 27,489 |
| Taxation | (11,285) | (9,512) |
| Profit after taxation | \$22,167 | \$17,977 |
| Basic earnings per share | 4.4 cps | 3.5 cps |
| Diluted earnings per share | 4.2 cps | 3.4 cps |
| Weighted average basic shares outstanding | 507,810,153 | 508,851,500 |
| Weighted average diluted shares outstanding | 524,482,177 | 522,502,395 |

Operating Revenue
(In thousands of US dollars)

| | Six Months Ended 30 September | |
|--|--|-------------|
| | 2005 | 2004 |
| Respiratory humidification products | \$43,079 | \$37,223 |
| OSA products | 41,613 | 29,223 |
| Patient warming and neonatal care products | 7,470 | 5,850 |
| Core products sub-total | 92,162 | 72,296 |
| Distributed products | 2,875 | 2,752 |
| Total | \$95,037 | \$75,048 |

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

| | As at 30 September | |
|--|---------------------------|-------------|
| | 2005 | 2004 |
| Cash | \$13,993 | \$11,531 |
| Short-term investments | 2,770 | 14,727 |
| Debtors and prepayments | 36,332 | 34,424 |
| Inventories | 21,772 | 18,225 |
| Other current assets | 1,139 | 2,680 |
| Total current assets | 76,006 | 81,587 |
| Property, plant and equipment | 71,053 | 48,859 |
| Other assets | 12,844 | 14,453 |
| Total assets | \$159,903 | \$144,899 |
| Current liabilities | \$26,561 | \$21,506 |
| Long-term liabilities | 647 | 666 |
| Shareholders' equity | 132,695 | 122,727 |
| Total liabilities and shareholders' equity | \$159,903 | \$144,899 |

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

Six Months Ended
30 September

| | 2005 | 2004 |
|---|-------------|-------------|
| Cashflow from Operating Activities: | | |
| Receipts from Customers | \$109,259 | \$86,905 |
| Payments to Suppliers | (68,985) | (56,008) |
| Interest Paid | (58) | (63) |
| Interest Received | 502 | 570 |
| Dividends Received | 2 | 3 |
| Tax Paid | (7,390) | (9,463) |
| Net Cashflow from Operations | 33,330 | 21,944 |
| Cashflow (used in) Investing Activities: | | |
| Net Purchase of Property, Plant and Equipment | (18,055) | (3,081) |
| Patent and Trademark Registration Costs | (439) | (293) |
| Net Sale (Purchase) of Short-Term Investments | 6,879 | (3,100) |
| Net Cashflow (used in) Investing | (11,615) | (6,474) |
| Cashflow (used in) Financing Activities: | | |
| Employee Share Purchase Schemes | 127 | 501 |
| Net (Repurchase) of Share Capital | (2,642) | (5,008) |
| Net Drawdown of Borrowings | 1,501 | - |
| Dividends Paid | (22,504) | (19,891) |
| Net Cashflow (used in) Financing | (23,518) | (24,398) |
| Net (Decrease) in Cash | (1,803) | (8,928) |
| Opening Cash | 11,908 | 16,031 |
| Effect of Foreign Exchange Rates | (43) | (211) |
| Closing Cash | \$10,062 | \$6,892 |
| Reconciliation of Closing Cash | | |
| Bank | \$13,993 | \$11,531 |
| Bank overdrafts | (3,931) | (4,639) |
| Closing Cash | \$10,062 | \$6,892 |

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