

News Release

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

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

Auckland, New Zealand, 11 November 2003 - Fisher & Paykel Healthcare Corporation Limited (NZX:FPH. ASX:FPH)

Revenue growth from new products contributed to Fisher & Paykel Healthcare Corporation Limited's record first half revenue of NZ\$104.9 million and an increased operating profit of NZ\$37.0 million for the six months ended 30 September 2003.

In US dollar terms, both revenue and operating profit increased by 27% compared with the prior comparable six month period. Operating margins continued to be very strong at 35.3%.

New products in each of the company's respiratory humidification, obstructive sleep apnea (OSA) and neonatal categories helped deliver the increases. Significant new product releases in the coming months are expected to deliver ongoing growth.

Profit after tax was NZ\$25.2 million for the six months compared with NZ\$24.7 million in the prior comparable period, excluding that period's unrealised foreign currency gain of NZ\$9.1 million after tax.

Dividend

The company's directors have approved an increased interim dividend for the financial year ending 31 March 2004 of NZD 24 cents per ordinary share, carrying full imputation credit. Non-resident shareholders will receive a supplementary dividend of 4.24 cents per share. The interim dividend will be paid on 5 December 2003, with a record date of 28 November, and an ex-dividend date of 24 November for the ASX and 1 December for the NZX.

Revenue Growth

Operating revenue for the company's core product range grew 28%, 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 37%, OSA revenue increased by 15% and neonatal and warming revenue increased by 48% in US dollar terms.

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

"OSA product group revenue growth was driven primarily by strong acceptance of our new range of CPAP flow generators and rapid growth in nasal mask sales. The new flow generators, which we began shipping in quantity to US customers in July and August, contributed to second quarter flow generator revenue growth of 28%, in US dollar terms. Flow generator market share gains have continued in the second half," commented Mr Daniell.

Growth in the neonatal and warming product group was due to strong growth in 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 to 6.4% of revenue for the six months ended 30 September 2003 compared to 5.6% in the prior corresponding period, largely due to increased product development activity and the number of new products released during the six months.

Selling, general and administrative expenses grew approximately 21%, in constant currency terms as the company continued to expand its operations and its sales teams in North America and Europe and established new direct sales operations in Italy and Spain.

Outlook

"We are planning further significant new product introductions over the next twelve months, including additional CPAP flow generators and masks, new breathing circuit technology and a new patient radiant warming system.

We will also continue to grow our international sales activities. For the full year we expect a continuation of strong US dollar revenue growth and we are expecting full year revenue to be in the range of US\$120 million to US\$125 million," said Mr. Daniell.

Foreign Exchange Hedging

The company currently has in place a mix of foreign exchange contracts and call options, up to three years forward, with a face value of approximately NZ\$372 million. These instruments are at average exchange rates of approximately 0.45 US dollars and 0.41 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.

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.

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 2004 financial year. The conference call will be broadcast simultaneously over the Internet.

To listen to the webcast, to be held at 9.30am NZT, 7.30am AEST on Tuesday 11 November (3.30pm USEST, Monday 10 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 11.30am NZT on 11 November, and will be available for two weeks. To listen to the replay dial +61 2 8524 1009 international or 02 8524 1009 within Australia. The passcode to access the recording is 124996#.

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	
	2003	2002
Operating revenue	\$104,901	\$101,089
Cost of Sales	30,898	32,449
Gross Profit	74,003	68,640
Operating expenses:		
Selling, general and administrative	30,255	27,338
Research and development	6,764	5,650
Total operating expenses	37,019	32,988
Operating profit	36,984	35,652
Other income (expenses), net:		
Interest income (expenses), net	926	1,820
Foreign currency exchange profit	-	13,654
Total other income, net	926	15,474
Profit before taxation	37,910	51,126
Taxation	(12,674)	(17,319)
Profit after taxation	\$25,236	\$33,807
Basic earnings per share	\$0.25	\$0.33
Diluted earnings per share	\$0.24	\$0.33
Weighted average basic shares outstanding	102,436,799	102,353,221
Weighted average diluted shares outstanding	103,917,466	103,874,888

Operating Revenue
(In thousands of NZ dollars)

	Six Months Ended 30 September	
	2003	2002
Respiratory humidification products	\$55,746	\$50,034
OSA products	37,924	40,442
Patient warming and neonatal care products	6,951	5,771
Core products sub-total	100,621	96,247
Distributed products	4,280	4,842
Total	\$104,901	\$101,089

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

	As of 30 September	
	2003	2002
Cash	\$23,212	\$22,352
Short-term investments	29,700	41,455
Debtors and prepayments	47,442	41,328
Inventories	24,604	22,305
Other current assets	1,879	1,825
Total current assets	126,837	129,265
Fixed assets	72,008	69,461
Other assets	26,117	12,459
Total Assets	\$224,962	\$211,185
Current liabilities	\$34,454	\$27,439
Long-term liabilities	454	5,017
Shareholders' equity	190,054	178,729
Total liabilities and shareholders' equity	\$224,962	\$211,185

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

Six Months Ended
30 September

	2003	2002
Cashflow from Operating Activities:		
Receipts from Customers	\$119,746	\$106,417
Payments to Suppliers	(75,430)	(66,056)
Interest Paid	(56)	(105)
Interest Received	1,207	1,930
Tax Paid	(9,278)	(13,689)
Net Cashflow from Operations	36,189	28,497
Cashflow from (used in) Investing Activities:		
Net Purchase of Fixed Assets	(4,785)	(9,903)
Net Purchase of Short-Term Investments	5,187	(41,455)
Net Cashflow from (used in) Investing	402	(51,358)
Cashflow from (used in) Financing Activities:		
Employee Share Purchase Repayments	797	1,403
Issue of Share Capital	-	187
Net Repayment of Borrowings	-	(2,142)
Dividends Paid	(29,656)	(27,588)
Net Cashflow (used in) Financing	(28,859)	(28,140)
Net (Decrease) Increase in Cash	7,732	(51,001)
Opening Cash	12,230	72,043
Effect of Foreign Exchange Rates	(203)	(238)
Closing Cash	\$19,759	\$20,804
 Reconciliation of Closing Cash		
Bank	\$23,212	\$22,352
Bank overdrafts	(3,453)	(1,548)
Closing Cash	\$19,759	\$20,804

**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	
	2003	2002
Operating revenue	\$60,329	\$47,320
Cost of Sales	17,769	15,189
Gross Profit	42,560	32,131
Operating expenses:		
Selling, general and administrative	17,399	12,797
Research and development	3,890	2,645
Total operating expenses	21,289	15,442
Operating profit	21,271	16,689
Other income (expenses), net:		
Interest income (expenses), net	532	852
Foreign currency exchange profit	-	6,391
Total other income, net	532	7,243
Profit before taxation	21,803	23,932
Taxation	(7,289)	(8,107)
Profit after taxation	\$14,514	\$15,825
Basic earnings per share	\$0.14	\$0.15
Diluted earnings per share	\$0.14	\$0.15
Weighted average basic shares outstanding	102,436,799	102,353,221
Weighted average diluted shares outstanding	103,917,466	103,874,888

Operating Revenue
(In thousands of US dollars)

	Six Months Ended 30 September	
	2003	2002
Respiratory humidification products	\$32,028	\$23,431
OSA products	21,833	18,917
Patient warming and neonatal care products	4,001	2,709
Core products sub-total	57,862	45,057
Distributed products	2,467	2,263
Total	\$60,329	\$47,320

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

	As of 30 September	
	2003	2002
Cash	\$13,795	\$10,494
Short-term investments	17,651	19,463
Debtors and prepayments	28,195	19,403
Inventories	14,622	10,472
Other current assets	1,117	857
Total current assets	75,380	60,689
Fixed assets	42,794	32,612
Other assets	15,521	5,849
Total Assets	\$133,695	\$99,150
Current liabilities	\$20,476	\$12,882
Long-term liabilities	270	2,355
Shareholders' equity	112,949	83,913
Total liabilities and shareholders' equity	\$133,695	\$99,150

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

Six Months Ended
30 September

	2003	2002
Cashflow from Operating Activities:		
Receipts from Customers	\$68,902	\$49,814
Payments to Suppliers	(43,402)	(30,928)
Interest Paid	(32)	(49)
Interest Received	694	903
Tax Paid	(5,338)	(6,408)
Net Cashflow from Operations	20,824	13,332
Cashflow from (used in) Investing Activities:		
Net Purchase of Fixed Assets	(2,754)	(4,635)
Net Purchase of Short-Term Investments	2,985	(19,405)
Net Cashflow from (used in) Investing	231	(24,040)
Cashflow from (used in) Financing Activities:		
Employee Share Purchase Repayments	459	657
Net Issue (Repayment) of Share Capital	-	88
Net Repayment of Borrowings	-	(1,003)
Dividends Paid	(17,064)	(12,914)
Net Cashflow (used in) Financing	(16,605)	(13,172)
Net (Decrease) Increase in Cash	4,450	(23,880)
Opening Cash	6,769	31,757
Effect of Foreign Exchange Rates	524	1,890
Closing Cash	\$11,743	\$9,767
 Reconciliation of Closing Cash		
Bank	\$13,795	\$10,494
Bank overdrafts	(2,052)	(727)
Closing Cash	\$11,743	\$9,767

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