Stock Exchange Announcement

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

REDUCTION OF BORROWINGS AND FOREIGN EXCHANGE HEDGING POSITION

Auckland, New Zealand, 19 October 2009 - Fisher & Paykel Healthcare Corporation Limited (NZSX:FPH, ASX:FPH) advises that the Company has reduced its borrowings by NZ$23 million. The Company has taken the opportunity due to the recent strength in the NZD/USD exchange rate to monetise (i.e. close-out) a portion of its USD forward exchange hedge book. US$47 million of forward exchange contracts with maturity dates in the 2012 and 2013 financial years have been monetised with a cash benefit of NZ$23 million being realised and applied to reduce bank debt. The total bank facilities available to the Company are unchanged from 31 March 2009.

The recent movement in the value of the NZD against the USD has led to significant mark to market gains on the Company's NZD/USD forward exchange hedge book. The Company considered it prudent and consistent with Treasury Policy to monetise a portion of these contracts. At current exchange rates there remains an additional NZ$77 million of unrealised mark to market gains within our forward exchange hedge book, approximately NZ$55 million in respect of the NZD/USD hedge book and NZ$22 million in respect of other currencies.

At current exchange rates the monetising of forward exchange contracts will not materially impact future reported earnings. Under NZ IFRS the gain on these contracts will be recognised in the Income Statement in accordance with their original maturity dates. The timing of the recognition of these foreign exchange gains therefore remains unchanged.

If continued strength in the NZD/USD exchange rate persists, further monetising of the forward exchange hedge book may be undertaken. It is the Company's intention to use any further monetisation gains to further reduce bank debt.

Contact: Tony Barclay, CFO on +64 9 574 0119. For more information about the company visit www.fphcare.com

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