

Fisher & Paykel Appliances Holdings Limited

FPA Stock Exchange Release ASX/NZX 18 February 2008

Trading and Earnings Update

For the ten months ended 31st January 2008, the Appliances business experienced increased revenue, up 2.2 percent over the previous period, however margins continue to remain under pressure. Australian sales increased strongly by 17.2 percent in Australian dollar terms.

Sales Revenue Comparison 2007/08 to 2006/07 April–January		
Market		Percentage
New Zealand	NZD	2.9%
Australia	AUD	17.2%
North America	USD	-2.1%
Europe	EUR	29.1%
Rest of World	NZD	13.6%

Note: Excludes non appliance related sales.

New Zealand and Australia

Whilst the New Zealand market overall weakened, being down more than 4% on the corresponding period last year, sales revenue lifted from the half year to finish 2.9 percent up for the ten months ended January 2008. This can be attributed to a higher average selling price and an increase in market share.

The Australian market continues to perform well. New product releases in both laundry and refrigeration have been well received by the market. These new products have lifted the average selling price in Australia. Sales revenue is up 17.2 percent on the previous period. Overall, the Fisher & Paykel brand in Australia has continued to gain market share in the past 10 months.

AquaSmart™ remains the only top loading range of washers on the market to attract the State Government water rebate incentives. The model range has now been extended to include 4 models and has assisted in market share gains.

The ice and water refrigeration range, including the new French door models, has also performed well in the market. A stronger refrigeration season this year has lifted the total market size.

The continuing strength of both the NZD and AUD continues to favour other importers considerably in both markets. The cost of new product introductions has also impacted margins slightly.

North America

North American market conditions have been well documented and commented on in recent months. Our total sales revenue is down 2.1 percent in the ten months to January. This is substantially better than the industry average.

As the USA market has contracted, competitor activity has intensified, including more aggressive end of calendar year volume incentives.

Notwithstanding total revenue being down in North America, the Fisher & Paykel and DCS brands continue to make gains in the market and combined revenue for the two brands is up 5.1 percent on the corresponding period last year. This growth has been supported with a substantial increase in advertising spend over the previous year.

Europe

European sales revenue was up 29.1 percent on the previous year, notwithstanding a softening market. Fisher & Paykel Italy continues to perform up to expectations; however the recent weakness in the GBP, relative to the Euro, has affected UK margins. Italian market sales continue to grow ahead of budget.

Rest of World

Notwithstanding the ongoing strength of the NZD, Rest of World sales increased by 13.6 percent. The Asian markets of Singapore and Hong Kong have shown pleasing growth year on year.

General Comments

Raw material pricing has been relatively stable in recent times, albeit at high levels. Uncertainty remains, especially for steel and oil based products. The Company has contractual agreements in place for most raw materials until June 2008.

Construction of the Thailand Laundry Products factory is on schedule and on budget. Production of both washers and dryers has now ceased on the Auckland site. The dryer line is currently in transit to Thailand and the washer manufacturing line is expected to be shipped later this month.

Recruitment of senior Thailand staff is complete and we are in the process of selecting the factory workforce for the production start up in March. The first dryer is expected to be produced off the relocated line in late March.

After initial contact with local suppliers in Thailand, the procurement team has been pleased at both the quality and cost of local componentry. These potentially significant additional savings are yet to be quantified.

Finance

The Finance Business's performance for the ten months to date this year has been pleasing given market conditions.

Indicative bids have been received for the Finance business and selected parties have begun due diligence. This process is expected to conclude at the end of March or early April, at which point a decision will be made whether the business will be sold or retained.

Outlook

Whilst the global economic situation is currently in some turmoil and confusion, overall the Group believes it is strongly placed to take advantage of any upturn in its

major markets when they occur. It has a strong product portfolio and cost down programme in place. The planned shift of the Laundry Products & Electronics factories to Thailand is progressing smoothly and an announcement on the location of our new North American DishDrawer facility is expected shortly.

In conjunction with this release, Fisher & Paykel Appliances Holdings Limited will host a conference call. The conference call is scheduled to begin today at 2:00pm NZDT; 11:00am AEST; 12:00pm AEDT.

Individuals wishing to listen to the webcast can access the event at the Company's website www.fisherpaykel.com. Please allow extra time prior to the webcast to visit the site and download the streaming media software required to listen to the broadcast.

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 449118
Australia Toll Free	1800 500686
USA Toll Free	1866 3694113

An on-line archive of the broadcast will be available approximately 2 hours after the webcast and will be accessible for one week at +61 3 92214752; access code 028223. This webcast will also be accessible for two weeks on our Company's website www.fisherpaykel.com/investors



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