ASX Listing Rule 4.2A.3

FISHER & PAYKEL HEALTHCARE CORPORATION LIMITED

ABN 098 026 281

Australian Stock Exchange Listing Rules Disclosure

Half Year Report

For the period ended 30 September 2012

The information contained in this Report is to be read in conjunction with the last annual report and any announcements to the market by Fisher & Paykel Healthcare Corporation Limited during the period.

ASX Listing Rule 4.2A.3

Fisher & Paykel Healthcare Corporation Limited

ABN 098 026 281

Half Year Report

For the period ended 30 September 2012
compared to the period ended 30 September 2011

Group Results				
Total Operating Revenue ($NZ000's) (Appendix 4D item 2.1)	Up	6%	to	$266,940
Earnings before interest and tax ($NZ000's)	Up	16%	to	$47,852
Net profit for the period attributable to members ($NZ000's)	Up	18%	to	$33,252

Dividends	Amount per security***** **NZ cents**	Franked amount per security **NZ cents**
Interim dividend	5.4	N/A
Previous corresponding period	5.4	N/A
The record date for determining entitlements to the interim dividend	30 November 2012	

Half Year Review

Providing medical devices which help to improve patient care and outcomes remains fundamental to our consistent long-term growth strategy. We continue to expand our range of innovative products, develop opportunities to serve additional patient groups and increase our international presence.

Financial results

Our net profit after tax increased 18% to NZ$33.3 million compared to NZ$28.3 million for the first half last year. The strong increase in net profit was a result of robust revenue growth, gross margin expansion, disciplined control of expenses and other operational efficiencies. In constant currency terms, operating profit increased a very encouraging *46*%[1].

Total operating revenue grew 6% to a record NZ$266.9 million, or *8*% growth in constant currency, with good progress in both our respiratory and acute care (RAC) product group and obstructive sleep apnea (OSA) product group.

Your directors have approved an interim dividend for the financial year ending 31 March 2013 of 5.4 NZ cents per ordinary share (2012: 5.4 cents), carrying full imputation credit. For New Zealand resident shareholders that equates to a gross dividend of 7.5 cents per ordinary share. Eligible non-resident shareholders will receive a supplementary dividend of 0.953 NZ cents per ordinary share. The interim dividend will be paid on 14 December 2012, with a record date of 30 November 2012 and ex-dividend dates of 26 November 2012 for the ASX and 28 November 2012 for the NZSX.

We continue to offer a dividend reinvestment plan (DRP), under which eligible shareholders may elect to reinvest all or part of their cash dividends in additional shares. Consistent with past practice, a 3% discount will be applied when determining the price per share of shares issued under the DRP and will be applied in respect of the 2013 interim dividend and future dividends, until such time as the directors determine otherwise.

Respiratory & Acute Care

Warming and humidification of the gases delivered during mechanical ventilation or oxygen therapy reproduces the normal functioning of the nose and upper airways and reduces airway moisture loss and the occurrence of adverse side effects. Our leading heated humidifier and respiratory care systems assist patient care in a variety of medical conditions that interfere with normal respiration. Our products can help to reduce escalation of care, length of hospital stay and the overall cost of care.

Our systems include humidifier controllers, chambers, breathing circuits that convey medical gases to and from the patient, interfaces, Optiflow™ oxygen therapy systems and neonatal respiratory care devices. We also offer humidification systems that humidify the cold, dry carbon dioxide gas used during laparoscopic surgery and some open surgical procedures.

Demand for our RAC humidifier controllers and consumables continued to be strong during the first half and resulted in RAC product group operating revenue of NZ$142.9 million, up 9% on the same period last year, or *11*% in constant currency.

We are pursuing opportunities to increase the number of patients our devices can assist, by expanding from our traditional intensive care ventilation market into non-invasive ventilation,

[1] Constant currency data excludes the impact of movements in foreign exchange rates and hedging results. References to constant currency amounts or percentages are stated in italics.

oxygen therapy, humidity therapy, neonatal respiratory care and surgery. We continued to make very good progress, with consumables revenue derived from those new applications growing *20*% in constant currency.

Obstructive Sleep Apnea

OSA is a very prevalent condition that causes excessive daytime fatigue, is associated with cardiovascular disease and strokes, and is directly linked to hypertension. In fact, tens of millions of people worldwide who have untreated OSA stop breathing for short periods many times each night while they are asleep.

Continuous positive airway pressure (CPAP) therapy is the most common treatment for OSA. CPAP therapy prevents the collapse and blockage of the airway during periods of deep sleep and is delivered using an air flow generator, humidifier, tubing and mask.

Our OSA product group operating revenue was NZ$114.2 million for the six months, representing *3*% growth in constant currency terms. For our mask range, constant currency revenue growth of *5*% reflected a ramp-up in growth during the half, following the introduction of our new Pilairo™ nasal pillows and Eson™ nasal masks. Customer response to both masks has been extremely positive, with constant currency mask revenue growth of *11*% in the second quarter.

Revenue for our ICON™ flow generator range grew *5*% in constant currency over the first half last year, offset by the expected decline in revenue from our legacy SleepStyle™ range. The ICON product range integrates our leading technologies into stylish, compact and intelligent devices to deliver a better night's sleep for people with OSA. We expect growth in ICON sales to increase, following the recent introduction of our SensAwake™ Responsive Pressure Relief technology into our mid-range ICON Premo model.

Research and Development

Investment in research and development continues to be fundamental to increasing our opportunities for growth and to ensuring that we can offer devices which can improve patient care and outcomes.

Our research and development expenditure grew 7% compared with the same period last year to NZ$21.3 million, representing 8% of operating revenue.

Over the half we have again been busy with new product introductions, which have included the new masks already mentioned above.

We have continued the roll-out of new adult and infant breathing circuits, which incorporate our unique Evaqua™ 2 technology for condensate control and have begun the introduction of Optiflow Junior.

Optiflow Junior delivers humidified oxygen via the nose to babies suffering from breathing difficulties, and reflects our ongoing commitment to develop innovative medical devices that improve patient care and outcomes. Judges at the recent Designers Institute of New Zealand Best Design Awards commented that Optiflow Junior was an "exceptional piece of design work that demonstrates the power of a high-level human-centred approach to design underpinned by significant 'upfront' research, design insights and technical development work… it demonstrates leadership in the field, and revolutionises the care of seriously ill infants".

The second generation of our AIRVO™ and myAIRVO™ systems for Optiflow humidification and oxygen therapy has been introduced to a number of countries with a very positive initial response from customers.

We continue to have a substantial new product pipeline under development, which includes additional masks, breathing system consumables, flow generators and humidifier systems.

International Sales

North America generated 44% of our operating revenue for the half year, with Europe 32% and Asia/Pacific and Other 24%.

We have continued to expand our international sales, marketing and operations teams to increase our geographical coverage and to support ongoing growth. In September we acquired selected assets from our distributor in South Korea and established our own sales operation. We have sales offices or sales support staff located in 32 countries.

Selling, general and administrative (SG&A) expenses increased 6% to NZ$77.0 million, an increase of 7% in constant currency terms. Productivity gains resulted in constant currency SG&A expense growth below both revenue and gross profit growth.

Our operating revenue was generated in a variety of currencies, with our products sold in more than 120 countries in total. US dollars contributed 51% of operating revenue, Euros 22%, Australian dollars 7%, Japanese yen 5%, Canadian dollars 4%, British pounds 4%, New Zealand dollars 2%, and other currencies 5%. The proportion of our operating revenue derived in US dollars continued to decrease, as we expanded our direct sales activities in a number of countries.

Capacity Expansion

Construction of the 31,000m^2 third building on our Auckland site has been completed. The new facility provides increased research and development, laboratory, office, manufacturing and warehouse space and will accommodate the capacity to more than double our New Zealand-based research, development, marketing and clinical activities over time.

The increase in manufacturing of consumable products at our facility in Tijuana, Mexico is progressing, with more than 25% of our high volume consumables now manufactured there. Our Mexico facility provides both geographic diversity and substantial manufacturing and logistics cost savings.

Governance

As part of our ongoing board refreshment process, Donal O'Dwyer, who has over 25 years' experience as a senior executive and director in the global medical device industry, has been appointed as an additional independent non-executive director of the company effective 1 December 2012. Gary Paykel and Dr. Nigel Evans indicated at our Annual Shareholders' Meeting (ASM) in August that they intend to retire from the Board following the ASM next year. We have made this appointment ahead of the planned retirements to ensure a smooth transition.

Half Year Results Commentary

Net profit after tax was NZ$33.3 million for the six months ended 30 September 2012, an increase of 18% compared to the prior corresponding period net profit after tax of NZ$28.3 million. The increase in the half year net profit after tax reflects revenue growth, gross margin expansion, disciplined control of expenses and other operational efficiencies. In constant currency terms, operating profit increased *46%*. This positive result was partially offset by the appreciation of the NZ dollar against most major currencies.

Operating revenue was a record NZ$266.9 million, 6% above the same period last year, or *8%* in constant currency terms. The company's respiratory and acute care product group (RAC) operating revenue increased by *11*% and obstructive sleep apnea (OSA) product group revenue increased by *3*% over the prior comparable period, in constant currency terms,

Strong growth in the RAC product group was driven by ongoing growth in acceptance of products which are used in applications outside of intensive care ventilation, including non-invasive ventilation, oxygen therapy and humidity therapy.

In the OSA product group, mask constant currency revenue growth of *5*% reflected a ramp-up in growth during the half, due to the introduction of the new Pilairo nasal pillows and Eson nasal masks. Revenue for the ICON flow generator range grew *5*% in constant currency over the first half last year, offset by a decline in revenue from the SleepStyle flow generator range.

The company's financial statements for the for the six months ended 30 September 2012 and the comparative financial information for the six months ended 30 September 2011 have been prepared under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The directors have approved an interim dividend of NZD 5.4 cents per ordinary share carrying a full imputation credit of 2.1 cents per share (100% imputed based on a 28% tax rate). Non-resident shareholders will receive a supplementary dividend of NZD 0.9529 cents per share. The interim dividend will be paid on 14 December 2012, with a record date of 30 November 2012 and an ex-dividend date of 26 November 2012 for the ASX and 28 November 2012 for the NZSX.

The company offers eligible shareholders the opportunity to receive ordinary shares rather than cash under the Dividend Reinvestment Plan (DRP). The directors have maintained a discount on the DRP of 3% to encourage shareholders to take up the offer as part of the company's plan to build shareholders' funds.

In May 2010 the directors reviewed the company's capital structure and determined that the company needed to progressively increase its shareholders' funds, to ensure that it has capacity to continue to implement its foreign currency hedging policy as the company grows.

A target debt to debt plus equity ratio of 5% to 15% (excluding unrealised financial instrument gains or losses) was established. The directors expect that, subject to earnings performance, the dividend will be maintained in real terms until such time as the target capital structure is achieved. Longer term, the directors expect that a dividend payout ratio of greater than 60% will be appropriate to maintain target gearing.

The directors have maintained the dividend payment for the first half at 5.4 cps on the basis that the interim dividend equates to 87% of net profit after tax.

Financial Performance

The following table sets out the consolidated statement of financial performance for the six months ended 30 September 2011 and 2012 in New Zealand dollars:

	Six months ended 30 September	
	2011 NZ$000's	**2012 NZ$000's**
Operating revenue	**251,977**	**266,940**
Cost of sales	119,603	121,982
Gross profit	132,374	144,958
Gross margin	**52.5%**	**54.3%**
Other income	1,200	1,200
Selling, general and administrative expenses	72,346	76,971
Research and development expenses	19,850	21,335
Total operating expenses	92,196	98,306
Operating profit before financing costs	**41,378**	**47,852**
Operating margin	**16.4%**	**17.9%**
Net financing expense	1,029	649
Profit before tax	**40,349**	**47,203**
Tax expense	12,078	13,951
Profit after tax	**28,271**	**33,252**

Foreign Exchange Effects

The company is exposed to movements in foreign exchange rates, with approximately 51% of operating revenue generated in US dollars, 22% in Euros, 7% in Australian dollars, 5% in Japanese yen, 4% in British pounds, 4% in Canadian dollars, 2% in New Zealand dollars and 5% in other currencies.

As the number of direct sales operations increases, an increasing proportion of the company's revenue is generated in local currencies, reducing operating revenue exposure to the US dollar. In the first half of the current year the proportion of revenue which was generated in US dollars has reduced from 52% to 51%. The company's cost base is also becoming more diverse, as manufacturing output from Mexico increases.

Exchange rates between the New Zealand dollar and the currencies in which the company receive revenue remained elevated during the period, with the New Zealand dollar appreciating substantially against the Euro when compared to the same period last year. Foreign exchange hedging gains contributed NZ$21.2 million (2011: NZ$22.2 million) to operating profit.

The average daily spot rate and the average effective exchange rate (i.e. the accounting rate, incorporating the benefit of forward exchange contracts entered into by the company in respect of the relevant financial year) of the main foreign currency exposures for the six months ended 30 September 2011 and 2012 are set out in the table below:

	Average Daily Spot Rate		Average Effective Exchange Rate	
	Six months ended 30 September		Six months ended 30 September	
	2011	2012	2011	2012
USD	0.8165	0.7996	0.6761	0.6818
EUR	0.5728	0.6313	0.4871	0.5118

The effect of balance sheet translations of offshore assets and liabilities for the six months ended 30 September 2012 resulted in a reduction in operating revenue of NZ$1.2 million (2011: NZ$1.3 million) and a reduction in operating profit of NZ$1.4 million (2011: NZ$1.5 million).

Constant Currency Analysis

A constant currency income statement is prepared each month to enable the board and management to monitor and assess the company's underlying financial performance without any distortion from changes in foreign exchange rates. The table below provides estimated NZ dollar income statements for the relevant periods, which have all been restated at the budget foreign exchange rates for the 2013 financial year but after excluding the impact of movements in foreign exchange rates, hedging results and balance sheet translations.

This constant currency analysis is non-conforming financial information, as defined by the NZ Financial Markets Authority, and has been provided to assist users of financial information to better understand and assess the company's financial performance without the impacts of spot foreign currency fluctuations and hedging results and has been prepared on a consistent basis each half year.

Constant Currency Income Statements (Unaudited)	**Six months ended 30 September 2010 NZ$000**	**Six months ended 30 September 2011 NZ$000**	**Variation 2010 to 2011 %**	**Six months ended 30 September 2012 NZ$000**	**Variation 2011 to 2012 %**
Operating revenue	***206,718***	***229,049***	***+11***	***247,454***	***+8***
Cost of sales	*105,417*	*118,614*	*+13*	*121,387*	*+2*
Gross profit	*101,301*	*110,435*	*+9*	*126,067*	*+14*
Other income	-	*1,200*	-	*1,200*	-
Selling, general and administrative expenses	*70,309*	*72,210*	*+3*	*77,437*	*+7*
Research & development expenses	*18,558*	*19,850*	*+7*	*21,335*	*+7*
Total operating expenses	*88,867*	*92,060*	*+4*	*98,772*	*+7*
Operating profit	***12,434***	***19,575***	***+57***	***28,495***	***+46***
Financing expenses (net)	*2,204*	*2,237*	*+1*	*1,514*	*-32*
Profit before tax	***10,230***	***17,338***	***+69***	***26,981***	***+56***

The significant exchange rates used in the constant currency analysis, being the budget exchange rates for the for the year ending 31 March 2013, are USD 0.80, EUR 0.62, AUD 0.77, GBP 0.52, CAD 0.82, JPY 63 and MXN 10.60.

In constant currency terms, operating revenue increased by *8%* and operating profit increased by *46%* for the six months, due to operating leverage generated from disciplined expense control, positive contributions from Mexico manufacturing, other logistics benefits and from direct sales operations established over the past few years.

A reconciliation of the constant currency income statements above to the actual income statements for each half year is provided below.

Reconciliation of Constant Currency to Actual Income Statements (Unaudited)	**Six months ended 30 September**		
	2010 NZ$000	**2011 NZ$000**	**2012 NZ$000**
Profit before tax (constant currency)	***10,230***	***17,338***	***26,981***
Spot exchange rate effect	15,025	1,156	(421)
Foreign exchange hedging result	16,488	22,150	21,212
Balance sheet revaluation	(368)	(295)	(569)
Profit before tax (as reported)	**41,375**	**40,349**	**47,203**

The reconciliation set out above illustrates that, when comparing the NZ dollar profit before tax shown in the actual income statement for the half year to 30 September 2012 with the corresponding period for the prior year:

- The movement in average daily spot exchange rates had an adverse impact of $1.6m; and
- The benefit from the company's foreign exchange hedging activities, while very substantial, was lower by $0.9m; and
- The adverse impact from the revaluation of assets and liabilities held overseas was $0.3m; and
- Overall, the net adverse effect of movements in exchange rates and the hedging programme was $2.8m.

Operating revenue

Operating revenue increased by 6% to NZ$266.9 million for the six months ended 30 September 2012 from NZ$252.0 million for the six months ended 30 September 2011, principally due to increased sales volume.

The following table sets out operating revenue by product group for the six months ended 30 September 2011 and 2012:

	Six months ended 30 September	
	2011 NZ$000's	**2012 NZ$000's**
Respiratory and acute care products	131,380	142,938
OSA products	113,597	114,217
Core products sub-total	244,977	257,155
Distributed and other products	7,000	9,785
Total	**$251,977**	**$266,940**

Underlying growth in demand for respiratory humidification systems was strong throughout the first six months. This resulted in total operating revenue of NZ$142.9 million for the respiratory and acute care product group, being growth of 9% in NZ dollars, and *11%* in constant currency terms, compared with the corresponding period last year.

Expansion of the application of products and technologies to the care of patients beyond the company's traditional invasive ventilation market continued, with an increasing proportion of consumables revenue coming from devices used in non-invasive ventilation, oxygen therapy, humidity therapy and laparoscopic surgery. Constant currency revenue for these new applications grew *20%* for the six months ended 30 September 2012 and in total represented 36% of respiratory and acute care consumables revenue.

Very strong revenue growth in consumables and accessories was supported by strong growth in demand for humidifier controllers despite the current international economic climate.

In the respiratory and acute care group, underlying average sell prices were supported by some modest selling price increases.

OSA product group operating revenue increased 1% to NZ$114.2 million, and *3%* in constant currency terms for the six months. Constant currency mask revenue grew *5%* for the first six months, and increased *11%* in the second quarter as the new Pilairo and Eson masks gained market share. ICON flow generator revenue grew *5%* in constant currency, over the first six months, however sales of the Sleepstyle flow generators declined as expected, resulting in constant currency flow generator operating revenue declining by *2%*.

Sales of respiratory and acute care products represented 52% and 54% of operating revenue for the six months ended 30 September 2011 and 2012 respectively. Sales of OSA products represented 45% and 43% of operating revenue for the first six months ended 30 September 2011 and 2012 respectively. Sales of consumable and accessory products for core products accounted for approximately 74% and 76% of operating revenue for the six months ended 30 September 2011 and 2012 respectively.

The following table sets out operating revenue for each of our regional markets for the six months ended 30 September 2011 and 2012:

	Six months ended 30 September	
	2011 NZ$000's	**2012 NZ$000's**
North America	114,949	116,644
Europe	81,220	84,629
Asia Pacific	45,235	52,055
Other	10,573	13,612
Total	**$251,977**	**$266,940**

The breakdown of revenue presented above is based on the geographical location of the customer and is inclusive of foreign exchange gains.

Expenses

Research and development activities are primarily conducted in New Zealand. Research and development expenses totalled NZ$21.3 million for the six months ended 30 September 2012 compared to NZ$19.9 million in the corresponding period last financial year. The increase was attributable to increases in research and development personnel and costs in connection with the continuing expansion of product and process development activities for the respiratory and acute care and OSA product groups. A number of new products have recently been released to the market, with more to follow during the balance of the 2013 financial year. Research and development expenses represented 8.0% of operating revenue for the six months ended 30 September 2012.

Research and development expenses are expected to continue to increase broadly in line with constant currency revenue growth.

Selling, general and administrative expenses increased by 6% to NZ$77.0 million for the six months ended 30 September 2012 compared to NZ$72.3 million in the corresponding period last financial year. This increase was primarily attributable to an increase in global personnel to support our growing international sales and marketing activities. In constant currency terms selling, general and administrative expenses have increased by *7%* for the six months ended 30 September 2012.

Gross Profit

Gross profit increased to NZ$145.0 million, or 54.3% of operating revenue, for the six months ended 30 September 2012 from NZ$132.4 million, or 52.5% of operating revenue, in the six months ended 30 September 2011. Constant currency gross margin percentage increased due to a number of factors, including positive RAC and OSA product mixes, logistics and manufacturing improvements, including the contribution from our Mexico manufacturing facility.

Operating profit

Operating profit increased by 16% to NZ$47.9 million for the six months ended 30 September 2012 from NZ$41.4 million for the six months ended 30 September 2011.

In constant currency terms, operating profit increased by *46%.*

Balance Sheet

Gearing[2] at 30 September was 31.5%, higher than the 26.4% gearing at 31 March 2012. The increase in gearing relates to the increase in capital expenditure in relation to the construction of the third building on the company's Auckland site. Capital expenditure in relation to the new building is substantially complete and gearing is expected to track towards our target range over coming years.

The gearing figure remains above the target range of 5% to 15%. As previously noted the directors intend to ensure that the company progressively moves its gearing into the target range, subject to exchange rate movements, profitability and dividend payout.

Funding

The company had total available committed debt funding of $193 million as at 30 September 2012, of which approximately $54 million was undrawn, and cash on hand of $5 million. Bank debt facilities provide all available funding given the modest level of requirements. Over the next 12 months $73 million of debt facilities will mature. Replacement facilities have been secured as of 1 November 2012. As at 1 November 2012, the weighted average maturity of borrowing facilities will be 3.2 years (excluding the facilities maturing in December 2012).

Debt maturity

The average maturity of the debt of $128 million was 1.1 years and the currency split was 70% New Zealand dollars; 14% US dollars; 11% Euros; 3% Australian dollars and 2% Canadian dollars.

Interest rates

Approximately 62% of all borrowings were at fixed interest rates with an average duration of 5.3 years and an average rate of 5.9%. Inclusive of floating rate borrowings the average interest rate on the debt is currently 4.9%. All interest rates are inclusive of margins but not fees.

Interest coverage for the period was 18 times and the group remains in a sound financial position.

The interest coverage for the period included interest capitalised to the new building project of $2.0 million for the period compared to $0.7 million for the corresponding period last year.

Cashflow

Cashflow from operations was $32.3 million compared with $43.1 million for the six months ended 30 September 2011. The reduction was mainly related to the monetisation of USD forward exchange contracts in the first half of the 2012 financial year. Underlying cashflow from operations was positive and broadly in line with the operating profit improvement.

Capital expenditure for the period was $40.9 million compared with $27.3 million in the prior corresponding period. Of this total, $27.4 million was for the new building project on our East Tamaki, Auckland site, and the balance related predominantly to new product tooling and manufacturing equipment.

Dividend

The directors have approved an interim dividend for the financial year ending 31 March 2013 of NZ5.4 cents per ordinary share (2011: NZ5.4 cents), and will be fully imputed at a rate of 28%.

The interim dividend will be paid on 14 December 2012, with a record date of 30 November 2012 and an ex-dividend date of 26 November 2012 for the ASX and 28 November 2012 for the NZSX.

[2] Net interest-bearing debt (debt less cash and cash equivalents) to net interest-bearing debt and equity (less cash flow hedge reserve - unrealised).

Dividend reinvestment plan

The dividend reinvestment plan is being offered for this dividend payment.

A 3% discount will be applied to shares issued under the plan.

Financial highlights

Unaudited	Six months ended 30 September	
	2011	2012
Pre-tax return on average shareholders' equity (annualised)	25.9%	26.9%
Earnings per share (cents)	5.4	6.2
Dividends (interim proposed) per share (cents)	5.4	5.4
Gearing	27.2%	31.5%
Interest cover (times)	23.7	18.3

Foreign Exchange Hedging Position

The hedging position for our main exposures, the US dollar and Euro, as at the date of this report is:

	Six months to 31 March	Year to 31 March		
	2013	2014	2015	2016
USD % cover of expected exposure	95%	45%	11%	0%
USD average rate of cover	0.76	0.74	0.74	-
USD Close-out value to Income Statement (NZD000's)[3]	$9,930	$21,291	$0	$0
EUR % cover of expected exposure	95%	56%	36%	5%
EUR average rate of cover	0.51	0.43	0.41	0.37

[3] Foreign currency hedging gains to be released to the Income Statement from the Cash Flow Reserve - Realised from previously monetised USD forward exchange contracts.

Fisher & Paykel Healthcare Corporation Limited
Consolidated Income Statement

	Notes	Unaudited Six Months Ended 30 September 2011	Audited Year Ended 31 March 2012	Unaudited Six Months Ended 30 September 2012
		NZ$000	NZ$000	NZ$000
Operating revenue	3	251,977	516,688	266,940
Cost of sales		(119,603)	(241,651)	(121,982)
Gross profit		132,374	275,037	144,958
Other income	4	1,200	2,400	1,200
Selling, general and administrative expenses		(72,346)	(142,644)	(76,971)
Research and development expenses		(19,850)	(41,988)	(21,335)
Total operating expenses		(92,196)	(184,632)	(98,306)
Operating profit before financing costs		41,378	92,805	47,852
Financing income		173	280	157
Financing expense		(2,578)	(4,334)	(1,667)
Exchange gain on foreign currency borrowings		1,376	3,566	861
Net financing (expense)		(1,029)	(488)	(649)
Profit before tax	5	40,349	92,317	47,203
Tax expense	6	(12,078)	(28,207)	(13,951)
Profit after tax		28,271	64,110	33,252
Basic earnings per share		5.4 cps	12.2 cps	6.2 cps
Diluted earnings per share		5.2 cps	11.7 cps	6.0 cps
Weighted average basic ordinary shares outstanding		522,918,159	525,706,219	534,016,461
Weighted average diluted ordinary shares outstanding		542,985,967	546,509,548	555,427,041

Fisher & Paykel Healthcare Corporation Limited
Consolidated Statement of Comprehensive Income

	Unaudited Six Months Ended 30 September 2011	Audited Year Ended 31 March 2012	Unaudited Six Months Ended 30 September 2012
	NZ$000	NZ$000	NZ$000
Profit after tax	28,271	64,110	33,252
Other comprehensive income			
Cash flow hedge reserve - unrealised			
Changes in fair value	4,491	28,544	11,062
Transfers to profit before tax	(8,795)	(15,131)	(12,369)
Tax on changes in fair value and transfers to profit before tax	1,205	(3,756)	366
Cash flow hedge reserve - realised			
Transfers to profit before tax	(7,957)	(17,005)	(7,851)
Tax on transfers to profit before tax	2,387	5,102	2,355
Revaluation of land	-	13,250	-
Other comprehensive income, net of tax	(8,669)	11,004	(6,437)
Total comprehensive income	19,602	75,114	26,815

Fisher & Paykel Healthcare Corporation Limited
Consolidated Statements of Changes in Equity

	Share capital	Treasury shares	Retained earnings	Asset revaluation reserve	Cash flow hedge reserve - unrealised	Cash flow hedge reserve - realised	Employee share entitlement reserve	Employee share option reserve	Total equity
	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000
Unaudited									
Balance at 31 March 2011	**40,783**	**(2,064)**	**184,720**	**10,850**	**54,019**	**22,269**	**153**	**2,561**	**313,291**
Total comprehensive income	**-**	**-**	**28,271**	**-**	**(3,099)**	**(5,570)**	**-**	**-**	**19,602**
Dividends paid	-	-	(36,433)	-	-	-	-	-	(36,433)
Financial instruments monetised, net of tax	-	-	-	-	(17,455)	17,455	-	-	-
Issue of share capital under dividend reinvestment plan	12,820	-	-	-	-	-	-	-	12,820
Issue of share capital	105	-	-	-	-	-	-	-	105
Movement in employee share entitlement reserve	-	-	-	-	-	-	72	-	72
Movement in employee share option reserve	-	-	-	-	-	-	-	226	226
Movement in treasury shares	-	3	-	-	-	-	-	-	3
Increase in share capital under share option schemes for employee services	-	-	-	-	-	-	-	-	-
Employee share scheme shares issued for employee services	-	-	-	-	-	-	-	-	-
Balance at 30 September 2011	**53,708**	**(2,061)**	**176,558**	**10,850**	**33,465**	**34,154**	**225**	**2,787**	**309,686**
Audited									
Balance at 31 March 2011	**40,783**	**(2,064)**	**184,720**	**10,850**	**54,019**	**22,269**	**153**	**2,561**	**313,291**
Total comprehensive income	**-**	**-**	**64,110**	**13,250**	**9,657**	**(11,903)**	**-**	**-**	**75,114**
Dividends paid	-	-	(64,804)	-	-	-	-	-	(64,804)
Financial instruments monetised, net of tax	-	-	-	-	(17,470)	17,470	-	-	-
Issue of share capital under dividend reinvestment plan	23,558	-	-	-	-	-	-	-	23,558
Issue of share capital	200	-	-	-	-	-	-	-	200
Movement in employee share entitlement reserve	-	-	-	-	-	-	139	-	139
Movement in employee share option reserve	-	-	-	-	-	-	-	(174)	(174)
Movement in treasury shares	-	18	-	-	-	-	-	-	18
Increase in share capital under share option schemes for employee services	763	-	-	-	-	-	-	-	763
Employee share scheme shares issued for employee services	47	-	-	-	-	-	-	-	47
Balance at 31 March 2012	**65,351**	**(2,046)**	**184,026**	**24,100**	**46,206**	**27,836**	**292**	**2,387**	**348,152**
Unaudited									
Total comprehensive income	**-**	**-**	**33,252**	**-**	**(941)**	**(5,496)**	**-**	**-**	**26,815**
Dividends paid	-	-	(37,103)	-	-	-	-	-	(37,103)
Financial instruments monetised, net of tax	-	-	-	-	-	-	-	-	-
Issue of share capital under dividend reinvestment plan	14,612	-	-	-	-	-	-	-	14,612
Issue of share capital	128	-	-	-	-	-	-	-	128
Movement in employee share entitlement reserve	-	-	-	-	-	-	(149)	-	(149)
Movement in employee share option reserve	-	-	-	-	-	-	-	201	201
Movement in treasury shares	-	474	-	-	-	-	-	-	474
Increase in share capital under share option schemes for employee services	-	-	-	-	-	-	-	-	-
Employee share scheme shares issued for employee services	487	-	-	-	-	-	-	-	487
Balance at 30 September 2012	**80,578**	**(1,572)**	**180,175**	**24,100**	**45,265**	**22,340**	**143**	**2,588**	**353,617**

Fisher & Paykel Healthcare Corporation Limited

Consolidated Balance Sheet

	Notes	Unaudited 30 September 2011	Audited 31 March 2012	Unaudited 30 September 2012
		NZ$000	NZ$000	NZ$000
ASSETS				
Current assets				
Cash and cash equivalents		7,523	6,253	5,055
Trade and other receivables	7	82,093	77,130	79,112
Inventories	8	83,354	84,430	94,346
Derivative financial instruments	16	22,566	26,712	32,169
Tax receivable		2,066	506	208
Total current assets		197,602	195,031	210,890
Non-current assets				
Property, plant and equipment		271,063	311,631	339,324
Intangible assets		5,501	6,426	7,917
Other receivables	7	1,425	1,809	1,471
Derivative financial instruments	16	38,391	47,501	42,800
Deferred tax asset	11	9,882	9,656	10,594
Total assets		523,864	572,054	612,996
LIABILITIES				
Current liabilities				
Interest-bearing liabilities	9	16,568	80,230	89,178
Trade and other payables	10	56,316	60,868	61,521
Provisions		3,033	2,580	2,461
Tax payable		5,733	4,515	4,367
Derivative financial instruments	16	3,433	2,430	2,582
Total current liabilities		85,083	150,623	160,109
Non-current liabilities				
Interest-bearing liabilities	9	94,121	34,511	57,369
Provisions		2,117	1,851	2,295
Other payables	10	6,167	6,211	7,257
Derivative financial instruments	16	7,569	6,419	8,309
Deferred tax liability	11	19,121	24,287	24,040
Total liabilities		214,178	223,902	259,379
EQUITY				
Share capital		53,708	65,351	80,578
Treasury shares		(2,061)	(2,046)	(1,572)
Retained earnings		176,558	184,026	180,175
Asset revaluation reserve		10,850	24,100	24,100
Cash flow hedge reserve - unrealised		33,465	46,206	45,265
Cash flow hedge reserve - realised	16	34,154	27,836	22,340
Employee share entitlement reserve		225	292	143
Employee share option reserve		2,787	2,387	2,588
Total equity		309,686	348,152	353,617
Total liabilities and equity		523,864	572,054	612,996

On behalf of the Board
22 November 2012

A J Carter
Chairman

M G Daniell
Managing Director and Chief Executive Officer

Fisher & Paykel Healthcare Corporation Limited
Consolidated Statement of Cash Flows

	Notes	Unaudited Six Months Ended 30 September 2011	Audited Year Ended 31 March 2012	Unaudited Six Months Ended 30 September 2012
		NZ$000	NZ$000	NZ$000
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers		249,722	503,975	257,393
Receipts from derivative financial instruments monetised		20,597	24,264	-
Interest received		133	272	156
Payments to suppliers and employees		(211,268)	(405,898)	(213,253)
Tax paid		(14,294)	(24,427)	(10,489)
Interest paid		(1,804)	(4,303)	(1,515)
Net cash flows from operations	15	43,086	93,883	32,292
CASH FLOWS (USED IN) INVESTING ACTIVITIES				
Sales of property, plant and equipment		9	33	24
Purchases of property, plant and equipment		(26,271)	(64,911)	(38,922)
Purchases of intangible assets		(1,057)	(2,597)	(2,018)
Net cash flows (used in) investing activities		(27,319)	(67,475)	(40,916)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES				
Employee share purchase schemes		161	563	226
Issue of share capital under dividend reinvestment plan		12,821	23,558	14,612
Issue of share capital		105	200	-
New borrowings		23,520	38,156	33,149
Repayment of borrowings		(11,161)	(16,828)	(5,223)
Dividends paid		(36,433)	(64,804)	(37,104)
Supplementary dividends paid to overseas shareholders		(3,014)	(5,397)	(2,852)
Net cash flows from (used in) financing activities		(14,001)	(24,552)	2,808
Net increase (decrease) in cash		1,766	1,856	(5,816)
Opening cash		(11,000)	(11,000)	(8,405)
Effect of foreign exchange rates		189	739	418
Closing cash		(9,045)	(8,405)	(13,803)
RECONCILIATION OF CLOSING CASH				
Cash and cash equivalents		7,523	6,253	5,055
Bank overdrafts	9	(16,568)	(14,658)	(18,858)
		(9,045)	(8,405)	(13,803)

Notes to the Financial Statements

For the six months ended 30 September 2012

1. General Information

Fisher & Paykel Healthcare Corporation Limited (the "Company" or "Parent") together with its subsidiaries (the "Group") is a leading designer, manufacturer and marketer of medical device products and systems for use in respiratory care, acute care and the treatment of obstructive sleep apnea. Products are sold in over 120 countries worldwide.

The Company is a limited liability company incorporated and domiciled in New Zealand. The address of its registered office is 15 Maurice Paykel Place, East Tamaki, Auckland.

These consolidated interim financial statements were approved for issue by the Board of Directors on 22 November 2012, and have been reviewed, not audited.

2. Basis of preparation of financial statements

These general purpose financial statements for the six months ended 30 September 2012 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with NZ IAS 34 and IAS 34, *Interim Financial Reporting*. The Company and Group are designated as profit-oriented entities for financial reporting purposes.

Statutory base

The Company is registered under the Companies Act 1993 and is an issuer in terms of the Securities Act 1978 and the Financial Reporting Act 1993. The Company is also listed on the New Zealand Stock Exchange (NZX) and the Australian Stock Exchange (ASX).

These consolidated interim financial statements do not include all the notes of the type normally included in an annual financial report. Accordingly, this report should be read in conjunction with the audited financial statements for the year ended 31 March 2012, which have been prepared in accordance with the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

All accounting policies have been applied on a basis consistent with those used in the audited financial statements for the year ended 31 March 2012, as described in those annual financial statements.

The following accounting standards and amendments to existing standards have been adopted by the Group in the six months ended 30 September 2012:

• ***Harmonisation Amendments*** set out amendments to NZ IFRSs as a result of proposals that were contained in Exposure Draft 121 *Proposals to Harmonise* Australian and New Zealand Standards in Relation to Entities Applying IFRSs as Adopted in Australia and New Zealand (ED 121) published in July 2010. It should be read in conjunction with FRS-44 New Zealand Additional Disclosures (FRS-44) which sets out the New Zealand "All Entity" disclosure requirements that are in addition to requirements in IFRSs which have been relocated to the separate disclosure standard.

The effective date of the amendments was for reporting periods beginning on or after 1 July 2011. There has been no impact to these financial statements from the application of these amendments.

	Unaudited Six Months Ended 30 September 2011	Audited Year Ended 31 March 2012	Unaudited Six Months Ended 30 September 2012
	NZ$000	NZ$000	NZ$000

3. OPERATING REVENUE

Revenue before hedging:			
North America	102,634	203,027	106,463
Europe	73,518	153,294	75,672
Asia Pacific	44,077	90,326	50,926
Other	9,492	20,079	12,400
Total revenue before hedging	229,721	466,726	245,461
Foreign exchange gain on hedged sales	22,256	49,962	21,479
Total operating revenue	251,977	516,688	266,940

The breakdown of revenue before hedging presented above is based on the geographical location of the customer. This presentation is different to that shown in Note 18 as described in that note.

4. OTHER INCOME

Technology development grant	1,200	2,400	1,200
	1,200	2,400	1,200

5. EXPENSES

Profit before tax includes the following expenses:

Depreciation	10,493	20,407	12,171
Amortisation:			
Patents and trademarks	614	1,176	562
Software	488	969	663
Total amortisation	1,102	2,145	1,225
Employee benefits expense	92,356	192,376	98,070
Rental expense	1,987	4,010	1,961
Trade receivables written off	33	224	101

The useful economic lives of certain building fit-out assets have been re-estimated in the current period. The impact of this change is to reduce the depreciation charge in the period in relation to these assets by $0.7m; the full year impact is estimated to be $1.8m assuming the revised lives were also adopted for the fit-out in the newly commissioned Paykel building.

During the period the Group issued Performance Share Rights to certain employees. The fair value of Share Rights granted is recognised as an expense in the income statement with a corresponding increase in the employee share option reserve. The fair value is measured at grant date and spread over the vesting period of 3 years. Subject to share performance over the vesting period by reference to a given index, eligible Share Rights entitle the holder to ordinary shares in the Company at a nil exercise price. The expense recognised for the period in relation to Performance Share Rights was $28k and is included within employee benefits expense.

6. TAX EXPENSE

Profit before tax	40,349	92,317	47,203
Tax expense at the New Zealand rate of 28%	11,298	25,849	13,217
Adjustments to tax for:			
Non-assessable income	(33)	(220)	(49)
Non-deductible expenses	325	590	335
Tax at 30% on previously monetised financial instruments	160	340	156
Foreign tax rates other than 28%	114	847	191
Effect of foreign currency translations	215	567	101
Other	(1)	234	-
Total tax expense	12,078	28,207	13,951

	Unaudited 30 September 2011	Audited 31 March 2012	Unaudited 30 September 2012
	NZ$000	NZ$000	NZ$000
7. TRADE AND OTHER RECEIVABLES			
CURRENT			
Trade receivables	69,279	69,142	70,552
Less provision for doubtful trade receivables	(937)	(1,066)	(1,051)
	68,342	68,076	69,501
Other receivables	13,751	9,054	9,611
	82,093	77,130	79,112
NON-CURRENT			
Other receivables	1,425	1,809	1,471
	1,425	1,809	1,471

8. INVENTORIES

Materials	21,030	20,412	18,043
Finished products	66,625	69,129	81,370
Provision for obsolescence	(4,301)	(5,111)	(5,067)
	83,354	84,430	94,346

9. INTEREST-BEARING LIABILITIES

CURRENT			
Bank overdrafts	16,568	14,658	18,858
Borrowings	-	65,572	70,320
	16,568	80,230	89,178
NON-CURRENT			
Borrowings	94,121	34,511	57,369
	94,121	34,511	57,369

10. TRADE AND OTHER PAYABLES

CURRENT			
Trade payables	20,230	22,506	19,211
Employee entitlements	22,807	22,463	25,092
Other payables and accruals	13,279	15,899	17,218
	56,316	60,868	61,521
NON-CURRENT			
Employee entitlements	3,773	4,316	4,953
Other payables and accruals	2,394	1,895	2,304
	6,167	6,211	7,257

	Unaudited 30 September 2011	Audited 31 March 2012	Unaudited 30 September 2012
	NZ$000	NZ$000	NZ$000
11. DEFERRED TAX ASSET/LIABILITY			
OPENING BALANCE			
Deferred tax asset	8,834	8,834	9,656
Deferred tax liability	(27,202)	(27,202)	(24,287)
	(18,368)	(18,368)	(14,631)
MOVEMENTS			
Credited / (charged) to the Income Statement	1,136	699	819
Credited / (charged) to Other Comprehensive Income	1,205	(3,756)	366
Transfers to current tax on monetisation of financial instruments	6,788	6,794	-
	9,129	3,737	1,185
CLOSING BALANCE			
Deferred tax asset	9,882	9,656	10,594
Deferred tax liability	(19,121)	(24,287)	(24,040)
	(9,239)	(14,631)	(13,446)

12. CAPITAL EXPENDITURE COMMITMENTS

	Unaudited 30 September 2011 NZ$000	Audited 31 March 2012 NZ$000	Unaudited 30 September 2012 NZ$000
Capital expenditure commitments contracted for but not recognised as at the reporting date:			
Within one year	60,105	32,437	11,603
Between one and two years	2,612	740	801
Between two and five years			
	62,717	33,177	12,404

Capital expenditure commitments were significantly larger in the prior year as a result of the commitment to the third building on the East Tamaki site, as announced in December 2010.

13. OPERATING LEASE COMMITMENTS

	Unaudited 30 September 2011 NZ$000	Audited 31 March 2012 NZ$000	Unaudited 30 September 2012 NZ$000
Gross commitments under non-cancellable operating leases:			
Within one year	4,893	4,638	4,276
Between one and two years	3,547	3,833	3,468
Between two and five years	3,983	4,091	3,706
Over five years	3,668	3,121	2,666
	16,091	15,683	14,116

Operating lease commitments relate mainly to occupancy leasing of buildings. There are no renewal options or options to purchase in respect of leases of plant and equipment.

14. CONTINGENT LIABILITIES

Periodically the Group is party to litigation including product liability and patent claims. To date such claims have been few in number and have been expensed or covered by our insurance. The Directors are unaware of the existence of any claim or other contingencies that would have a material impact on the operations of the Group.

15. CASH FLOW RECONCILIATIONS

	Unaudited Six Months Ended 30 September 2011 NZ$000	Audited Year Ended 31 March 2012 NZ$000	Unaudited Six Months Ended 30 September 2012 NZ$000
Profit after tax	28,271	64,110	33,252
Add (deduct) non-cash items:			
Depreciation and writedown of property, plant and equipment to recoverable amount	10,493	20,407	12,171
Cash flow hedge gain from monetised instruments, net of tax	(5,570)	(11,904)	(5,496)
Amortisation of intangibles	1,102	2,145	1,225
Accrued financing income / expense	(8)	1	214
Movement in provisions	(191)	(910)	325
Movement in deferred tax asset / liability	(1,136)	(699)	(819)
Movement in foreign currency option contracts time value	712	369	(624)
Movement in working capital:			
Trade and other receivables	(2,359)	2,220	(1,644)
Inventory	(3,253)	(4,329)	(9,916)
Trade and other payables	(1,968)	3,667	736
Provision for tax net of supplementary dividend paid	3,394	6,119	3,002
Foreign currency translation	(3,856)	(4,783)	(134)
Add non-Income Statement items:			
Monetised cash flow hedges	17,455	17,470	-
Net cash flows from operations	43,086	93,883	32,292

16. DERIVATIVE FINANCIAL INSTRUMENTS

	Unaudited 30 September 2011		Audited 31 March 2012		Unaudited 30 September 2012	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000
CURRENT						
Foreign currency forward exchange contracts	22,091	733	24,145	486	29,253	464
Foreign currency option contracts	475	792	2,567	32	2,905	-
Interest rate swaps	-	1,908	-	1,912	11	2,118
	22,566	3,433	26,712	2,430	32,169	2,582
NON-CURRENT						
Foreign currency forward exchange contracts	38,375	2,122	46,304	1,419	41,587	1,595
Foreign currency option contracts	16	72	1,197	-	1,166	-
Interest rate swaps	-	5,375	-	5,000	47	6,714
	38,391	7,569	47,501	6,419	42,800	8,309

Contractual amounts of forward exchange and option contracts outstanding were as follows:

	Unaudited 30 September 2011	Audited 31 March 2012	Unaudited 30 September 2012
	NZ$000	NZ$000	NZ$000
Purchase commitments forward exchange contracts	24,780	22,708	22,124
Sale commitments forward exchange contracts	391,552	354,291	368,948
Foreign currency borrowing forward exchange contracts	14,628	15,634	15,211
NZD call option contracts purchased	2,616	984	-
Collar option contracts - NZD call option purchased (i)	51,215	69,358	57,837
Collar option contracts - NZD call option sold (i)	55,819	75,305	63,016

(i) Foreign currency contractual amounts are equal.

Foreign currency contractual amounts hedged in relation to sale commitments were as follows:

	Foreign Currency		
	Unaudited 30 September 2011	Audited 31 March 2012	Unaudited 30 September 2012
	000s	000s	000s
United States dollars	US$86,000	US$118,250	US$127,500
European Union euros	€ 84,725	€ 71,955	€ 66,535
Australian dollars	A$13,500	A$10,800	A$12,450
British pounds	£2,330	£2,885	£4,400
Canadian dollars	C$18,800	C$16,450	C$16,250
Japanese yen	¥2,677,000	¥2,470,000	¥2,435,000
Chinese yuan	¥0	¥6,000	¥20,000

As at 31 March 2011 forward exchange contracts with foreign currency contractual amounts totalling US$66 million had been monetised (closed out) with the NZ dollar benefit of $31,813,000 ($22,269,000 after tax) held within Cash Flow Hedge Reserve - Realised, on the Balance Sheet. The cash was applied to reduce interest-bearing liabilities during the 2010 financial year. The benefit remained within Cash Flow Hedge Reserve - Realised, until the original forecast transactions occurred, during the 2012 - 2014 financial years, relating to the forward exchange contracts monetised. During the first half of the 2013 financial year a benefit of $7,851,000 ($5,496,000 after tax) was released to the Income Statement and included as part of the foreign exchange gain on hedged sales within revenue.

During the 2012 financial year forward exchange contracts with foreign currency contractual amounts totalling US$34 million were monetised (closed out) with the NZ dollar benefit of $24,264,000 ($17,470,000 after tax) held within Cash Flow Hedge Reserve - Realised, on the Balance Sheet. The benefit remains within Cash Flow Hedge Reserve - Realised, until the original forecast transactions occur, during the 2013 - 2014 years, relating to the forward exchange contracts monetised.

In total a further benefit of $31,221,000 ($22,340,000 after tax) will be released to the Income Statement as follows:

Financial year	NZ$000
2013	9,930
2014	21,291
	31,221

Foreign currency contractual amounts hedged in relation to purchase commitments were as follows:

	Foreign Currency		
	Unaudited 30 September 2011	Audited 31 March 2012	Unaudited 30 September 2012
	000s	000s	000s
Mexican pesos	Mex$244,079	Mex$225,829	Mex$223,579

Contractual amounts of interest rate derivative contracts outstanding were as follows:

	Unaudited 30 September 2011	Audited 31 March 2012	Unaudited 30 September 2012
	NZ$000	NZ$000	NZ$000
Interest rate swaps	114,585	111,810	131,281

The interest rate swaps have terms of up to 10 years.

17. RELATED PARTY TRANSACTIONS

During the period the Group has not entered into any material contracts involving related parties or directors' interests. No amounts owed by related parties have been written off or forgiven during the period. Apart from directors' fees, key executive remuneration and dividends paid by the Group to its directors, there have been no related party transactions.

18. SEGMENT INFORMATION

The operating segments of the Group have been determined based on the components of the Group that the chief operating decision-maker (CODM) monitors in making decisions about operating matters. These components have been identified on the basis of internal reports that the CODM reviews regularly in order to allocate resources and to assess the performance of the Group. For the purposes of NZ IFRS 8 the CODM is a group comprising the Board of Directors (which includes the Chief Executive Officer), Senior Vice-President - Products and Technology, Senior Vice-President - Sales and Marketing and Chief Financial Officer. This has been determined on the basis that it is this group which determines the allocation of the resources to segments and assesses their performance.

The Group has four operating segments reportable under NZ IFRS 8, as described below, which are the Group's strategic business units or groupings of business units. All other operating segments have been included in 'New Zealand segments'.

The strategic business units all offer the same products, being medical device products and systems for use in respiratory and acute care and the treatment of obstructive sleep apnea. Products are sold in over 120 countries worldwide through the Group's distribution subsidiaries, third party distributors and original equipment manufacturers (OEMs), with these sales being managed geographically from New Zealand and other locations worldwide. It is the management of these worldwide sales relationships that forms the basis for the Group's reportable segments. The following summary describes the operations in each of the Group's reportable segments:

1) *New Zealand*. Includes all activities controlled by entities or employees based in New Zealand, principally research and development, manufacturing, marketing, sales and distribution and administration. The research and development activity relates to New Zealand. The manufacturing activity principally relates to New Zealand, however the Mexico manufacturing activity is also included in this segment as the Mexico facility is ultimately managed by New Zealand-based employees. The sales and distribution activity principally relates to New Zealand, Latin America, Africa, the Middle East and other countries in Asia not included in 4) below. Also included are sales made to countries within Europe and Asia-Pacific where the management of the sale is from New Zealand.

2) *North America*. Includes all activities controlled by entities or employees based in the United States of America and Canada, principally sales, distribution and administration activities.—

3) *Europe.* Includes all activities controlled by entities or employees based in the United Kingdom, France, Germany, Sweden and Turkey, principally sales, distribution and administration activities. These sales and distribution hubs also distribute product into neighbouring European countries.

4) *Asia-Pacific.* Includes all activities controlled by entities or employees based in Australia, Japan, India, China, South Korea, Taiwan and Hong Kong, principally sales, distribution and administration activities. During the period the Group purchased some of the assets of its distributor in South Korea, Hurscare Co. Ltd. The purchase price was KRW 1 billion, in addition to the value of the stock acquired of KRW 285,689,000. This has led to provisional goodwill being recognised in the Group's balance sheet of KRW 1 billion (approximately $1.1m) at 30 September 2012.

All minor or other activities have been included in the New Zealand segment as they are controlled by New Zealand entities or employees.

There are varying levels of integration between these geographical segments. This integration includes transfers of finished product, principally from New Zealand to other segments, and shared costs. The accounting policies of the reportable segments are the same as described in the audited financial statements for the year ended 31 March 2012.

Information regarding the operations of each reportable segment is included below. Performance is measured based on segment operating profit or EBIT. Segment profit is used to measure performance as the CODM believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within this industry. Inter-segment pricing is determined on an arm's length basis.

Operating Segments - 30 September 2011 (Unaudited)

	New Zealand	North America	Europe	Asia-Pacific	Eliminations	Total
	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000	NZ$000
Sales revenue - external	25,363	102,635	68,596	33,127	-	229,721
Sales revenue - internal	145,355	-	-	-	(145,355)	-
Foreign exchange gain on hedged sales	22,256	-	-	-	-	22,256
Total operating revenue	192,974	102,635	68,596	33,127	(145,355)	251,977
Other income	1,200	-	-	-	-	1,200
Depreciation and amortisation	11,066	188	179	162	-	11,595
Reportable segment operating profit before financing costs	43,275	2,339	314	(368)	(4,182)	41,378
Financing income	806	-	14	-	(647)	173
Financing expense	(2,079)	(352)	(553)	(241)	647	(2,578)
Exchange gain on foreign currency borrowings	1,376	-	-	-	-	1,376
Reportable segment assets	470,398	66,583	56,945	27,522	(97,584)	523,864
Reportable segment capital expenditure	26,876	79	255	118	-	27,328

Operating Segments - 30 September 2012 (Unaudited)

	New Zealand NZ$000	North America NZ$000	Europe NZ$000	Asia-Pacific NZ$000	Eliminations NZ$000	Total NZ$000
Sales revenue - external	27,924	106,463	70,715	40,359	-	245,461
Sales revenue - internal	161,155	-	-	-	(161,155)	-
Foreign exchange gain on hedged sales	21,479	-	-	-	-	21,479
Total operating revenue	210,558	106,463	70,715	40,359	(161,155)	266,940
Other income	1,200	-	-	-	-	1,200
Depreciation and amortisation	12,860	205	207	124	-	13,396
Reportable segment operating profit before financing costs	46,554	3,311	2,611	1,851	(6,475)	47,852
Financing income	1,266	-	-	1	(1,110)	157
Financing expense	(1,376)	(851)	(345)	(205)	1,110	(1,667)
Exchange gain on foreign currency borrowings	861	-	-	-	-	861
Reportable segment assets	570,263	64,596	59,032	30,757	(111,652)	612,996
Reportable segment capital expenditure	39,444	66	71	1,359	-	40,940

Product Segments

The Group's products and systems are for use in respiratory care, acute care and the treatment of obstructive sleep apnea and are sold in over 120 countries worldwide. Revenues are managed on a regional basis, but a split by product group is set out below. Assets are not split by product group. Segment revenue is based on product SKUs.

Product Group Information

	Unaudited Six Months Ended 30 September 2011 NZ$000	Unaudited Six Months Ended 30 September 2012 NZ$000
Respiratory & acute care	131,380	142,938
Obstructive sleep apnea	113,597	114,217
Core products subtotal	244,977	257,155
Distributed and other	7,000	9,785
Total revenue	251,977	266,940

Major Customer

Revenues from one customer of the North America segment (being its distributor to US hospitals) represents approximately $30.2 million (2011: $33.8 million) of the Group's total revenues.

19. SUBSEQUENT EVENTS

On 22 November 2012 the directors approved the payment of a fully imputed 2013 interim dividend of $29,057,164 (5.4 cents per share) to be paid on 14 December 2012.

Subsequent to balance date, the Group agreed replacement bank facilities with two lenders for those bank facilities maturing in December 2012, which had an aggregate facility limit of $73 million. These replacement facilities have limits of $30m and $50m and expiry dates of 1 November 2014 and 1 November 2017 respectively.

pwc

Independent Accountants' Report
to the shareholders of Fisher & Paykel Healthcare Corporation Limited

Report on the Interim Financial Statements
We have reviewed the interim condensed financial statements ("financial statements") of Fisher & Paykel Healthcare Corporation Limited (the "Company") and its controlled entities (the "Group") on pages 13 to 27, which comprise the consolidated balance sheet as at 30 September 2012, the consolidated income statement, consolidated statement of comprehensive income and consolidated statement of changes in equity and consolidated statement of cash flows for the period then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Interim Financial Statements
The Company's Directors are responsible for the preparation and presentation of the financial statements that present fairly the financial position of the Group as at 30 September 2012, and its financial performance and cash flows for the period ended on that date.

Accountants' Responsibility
We are responsible for reviewing the financial statements presented by the Directors in order to report to you whether, in our opinion and on the basis of the procedures performed by us, anything has come to our attention that would indicate that the financial statements do not present fairly the matters to which they relate.

A review is limited primarily to enquiries of company personnel and analytical review procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit on the financial statements and, accordingly, we do not express an audit opinion.

We have reviewed the financial statements of the Group for the period ended 30 September 2012 in accordance with the Review Engagement Standards issued in New Zealand.

We have no relationship with, or interests in, Fisher & Paykel Healthcare Corporation or its subsidiaries other than in our capacities as accountants conducting this review, auditors and providers of advisory, tax and other assurance services. These services have not impaired our independence as accountants of the Group.

Independent Accountants' Report

Fisher & Paykel Healthcare Corporation Limited

Opinion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements which have been prepared in accordance with International Accounting Standard 34 and New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting do not present fairly the financial position of the Group as at 30 September 2012 and its financial performance and cash flows for the period ended on that date.

Restriction on Distribution or Use

This report is made solely to the Company's shareholders. Our review work has been undertaken so that we might state to the Company's shareholders those matters which we are required to state to them in an accountants' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders, for our review procedures, for this report or for the opinions we have formed.

PricewaterhouseCoopers

Chartered Accountants — Auckland

22 November 2012

Directors’ Declaration

Fisher & Paykel Healthcare Corporation Limited

The Directors declare that the consolidated financial statements and notes, set out on pages 13 to 27,

a. comply with New Zealand Accounting Standards; and

b. give a true and fair view of the financial position of Fisher & Paykel Healthcare Corporation Limited and its subsidiaries as at 30 September 2012 and of their performance, as represented by the results of their operations and their cash flows for the six months ended on that date.

In the Directors’ opinion at the date of this Declaration there are reasonable grounds to believe that Fisher & Paykel Healthcare Corporation Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors and is signed for and on behalf of the Directors.

TONY CARTER

Chairman

MICHAEL DANIELL

Managing Director and
Chief Executive Officer

Dated at Auckland, 22nd day of November 2012

OTHER INFORMATION

1.0 NTA backing	Previous corresponding Period 30 September 2011	Current period 30 September 2012
Net tangible asset backing per +ordinary security	NZ$0.56	NZ$0.62

2.0 Control gained over entities having material effect

There was no gain of control of entities that would have a material effect on the consolidated financial statements of Fisher & Paykel Healthcare Corporation Limited.

3.0 Loss of control of entities having material effect

There was no loss of control of entities that would have a material effect on the consolidated financial statements of Fisher & Paykel Healthcare Corporation Limited.

4.0 Dividends

4.01	Date the dividend is payable	14 December 2012
4.02	+Record date to determine entitlements to the dividend (distribution) (i.e., on the basis of proper instruments of transfer received by 5.00 pm if +securities are not +CHESS approved, or security holding balances established by 5.00 pm or such later time permitted by SCH Business Rules if +securities are +CHESS approved)	30 November 2012

4.1 Amount per security

		Amount per security	Franked amount per security at % tax	Amount per security of foreign source dividend
4.11	**Interim Dividend:** Current year	NZ 5.4¢	N/A	N/A
4.12	Previous year	NZ 5.4¢	N/A	N/A

4.2 Interim dividend on all securities

		Previous corresponding Half year to 30 September 2011 $NZ000	Current half year to 30 September 2012 $NZ000
4.21	+Ordinary securities *(each class separately)*	28,371	29,057
4.22	Preference +securities *(each class separately)*	N/A	N/A
4.23	Other equity instruments *(each class separately)*	N/A	N/A
4.24	**Total**	**28,371**	**29,057**

The DRP programme is in place for the current interim dividend. This dividend has a DRP discount of 3%.

Any other disclosures in relation to dividends (distributions). *(For half yearly reports, provide details in accordance with paragraph 7.5(d) of AASB 1029 Interim Financial Reporting)*

Per attached NZX Appendix 7.

5.0 Material interests in entities which are not controlled entities

Fisher & Paykel Healthcare Corporation Limited does not have any material interests in entities which are not controlled entities.

6.0 Issued and quoted securities at end of the half-year

6.1 Ordinary Shares

Opening balance 1 April 2012	530,053,399
Issued during the six months	8,033,685
Closing balance 30 September 2012	538,087,084

6.2 Share Options

Year of Issue	2007	2008	2009	2010	2011	2012	Total
Opening balance at 1 April 2012	3,442,700	3,608,800	3,736,300	4,547,500	4,893,950	-	20,229,250
Granted during the six months	-	-	-	-	-	3,816,650	3,816,650
Lapsed during the six months	83,400	99,000	106,500	132,300	123,000	52,000	596,200
Exercised/cancelled during the six months	-	-	-	-	-	-	-
Closing balance at 30 September 2012	3,359,300	3,509,800	3,629,800	4,415,200	4,770,950	3,764,650	23,449,700

2007 issue	- expiry date December 2012
	- exercise price various based on cost of capital calculation
2008 issue	- expiry date September 2013
	- exercise price various based on cost of capital calculation
2009 issue	- expiry date September 2014
	- exercise price various based on cost of capital calculation
2010 issue	- expiry date September 2015
	- exercise price various based on cost of capital calculation
2011 issue	- expiry date September 2016
	- exercise price various based on cost of capital calculation
2012 issue	- expiry date August 2017
	- exercise price of $2.06

6.3 Performance Share Rights

Year of Issue	2012	Total
Opening balance at 1 April 2012	-	-
Granted during the six months	623,840	623,840
Lapsed during the six months	12,400	12,400
Exercised during the six months	-	-
Closing balance at 30 September 2012	611,440	611,440

Directors' Details

The directors of Fisher & Paykel Healthcare Corporation Limited at all times during the six months ended 30 September or since the end of the half are as follows:

Antony John Carter	Chairman, Non-Executive, Independent
Michael Grenfell Daniell	Managing Director and Chief Executive Officer
Dr Nigel Thomas Evans	Non-Executive, Independent
George Roger Wayne France	Non-Executive, Independent
William Lindsay Gillanders	Non-Executive, Independent
Dr Arthur James Morris	Non-Executive, Independent
Gary Albert Paykel	Non-Executive, Independent

During the six months to 30 September 2012:

- At the Annual Meeting of Shareholders on 22 August 2012 Messrs France and Morris retired by rotation in accordance with the Company's constitution, and were re-elected to the Board.
- At the Annual Meeting of Shareholders held on 22 August 2012 Mr Daniell was re-appointed as Managing Director.

APPENDIX 7 – NZSX Listing Rules

EMAIL: announce@nzx.com

Notice of event affecting securities

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10.
For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one (Please provide any other relevant details on additional pages) ☐

Full name of Issuer	Fisher & Paykel Healthcare Corporation Limited
Name of officer authorised to make this notice	Antony G. Barclay
Authority for event, e.g. Directors' resolution	Directors' Resolution
Contact phone number	(09) 574 0119
Contact fax number	(09) 574 0176
Date	22 / 11 / 2012

Nature of event
Tick as appropriate

Bonus Issue ☐ *If ticked, state whether:* Taxable ☐ / Non Taxable ☐ Conversion ☐ Interest ☐ Rights Issue Renounceable ☐
Rights Issue non-renouncable ☐ Capital change ☐ Call ☐ Dividend ☑ If ticked, state whether: Interim ☐ Full Year ☑ Special ☐ DRP Applies ☑

EXISTING securities affected by this *If more than one security is affected by the event, use a separate form.*

Description of the class of securities	Ordinary Shares
ISIN	NZFAPE0001S2

If unknown, contact NZX

Details of securities issued pursuant to this event *If more than one class of security is to be issued, use a separate form for each class.*

Description of the class of securities

ISIN

If unknown, contact NZX

Number of Securities to be issued following event

Minimum Entitlement

Ratio, e.g 1 for 2 for

Conversion, Maturity, Call Payable or Exercise Date

Enter N/A if not applicable

Treatment of Fractions

Tick if pari passu ☐ OR *provide an explanation of the ranking*

Strike price per security for any issue in lieu or date Strike Price available.

Monies Associated with Event *Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.*

In dollars and cents

Amount per security (does not include any excluded income)	5.4 cents/share
Source of Payment	Revenue Reserves
Excluded income per security (only applicable to listed PIEs)	
Currency	New Zealand Dollars
Total monies	$29,057,164

Supplementary dividend details - NZSX Listing Rule 7.12.7

Amount per security in dollars and cents	0.952941 cents/share
Date Payable	14 December, 2012

Taxation *Amount per Security in Dollars and cents to six decimal places*

In the case of a taxable bonus issue state strike price	$
Resident Withholding Tax	0.375000 cents/share
Imputation Credits (Give details)	2.100000 cents/share
Foreign Withholding Tax	$
FWP Credits (Give details)	

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm *For calculation of entitlements -*	30 November, 2012
Application Date *Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date. In the case of applications this must be the last business day of the week.*	14 December, 2012
Notice Date *Entitlement letters, call notices, conversion notices mailed*	
Allotment Date *For the issue of new securities. Must be within 5 business days of application closing date.*	

OFFICE USE ONLY
Ex Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

Security Code:

Security Code: