



FOR IMMEDIATE RELEASE

FISHER & PAYKEL APPLIANCES RELOCATING MORE TO USA

Fisher & Paykel Appliances is to relocate the production of SmartLoad Dryers to its new manufacturing site in North America.

The top loading large capacity dryers were designed specifically for the United States market where the Company sells more than 95 per cent of the SmartLoad dryers currently produced on the East Tamaki, Auckland, site. Plant and equipment will be relocated to Clyde, Ohio, over the northern summer, and is expected to be in production late 2006.

“Like the washers, these Dryers are large and give us the same opportunity to save costs of working capital and freight,” says John Bongard, CEO and Managing Director. “Placing the production closer to our largest customer base for them makes good business sense.”

Once the plant is fully operational in North America the expected benefits are a reduction in working capital of approximately \$8 million and an earnings improvement (at EBIT level) of approximately \$2.5 million per annum, at the expected sales levels.

Recent growth in sales in the USA means this market is now the major revenue generator for the Company. While Laundry products dominate US sales, the Company also sells Cooking and DishDrawer products there.

The relocation will reduce the number of jobs on the Auckland site, but this will not happen immediately. Sixty-five positions are directly involved with current SmartLoad production. People will be redeployed around the site and natural attrition is also expected to lessen the impact of redundancy. John Bongard also said, "While we never like seeing jobs disappear from New Zealand we also have to think of the long-term interests of the business. Anyone involved in exporting right now is finding it tough, but this is not all about currency it is also about saving ongoing costs."

By the end of next year the Clyde plant will be producing washing machines, clothes dryers and appliance motors. The Company also has a production facility in Huntington Beach, California, where it manufactures indoor and outdoor cooking products.

This announcement will also be available on our website www.fisherpaykel.com.

About Fisher & Paykel Appliances

Fisher & Paykel is a global company best known for its innovative DishDrawer® dishwasher. Fisher & Paykel Appliances designs, manufactures and markets a range of innovative household appliances developed with a commitment to technology, design, user friendliness and environmental awareness.

DCS by Fisher & Paykel products are widely regarded to be among the best performing professional cooking equipment in the U.S. market place. The brand has a strong reputation for product innovation and evolution of the high-end cooking market.

Fisher & Paykel Appliances has manufacturing sites located in Auckland and Dunedin, New Zealand; Cleveland, Australia; Huntington Beach, California and Clyde, Ohio, USA; and Treviso, Italy.

Fisher & Paykel and DCS products are sold, directly or via distributors, to approximately 4,500 dealers in the United States. Further details on Fisher & Paykel Appliances and DCS Appliances are available on their Web sites:

www.fisherpaykel.com
www.dcsappliances.com

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