

# Fisher & Paykel Appliances Holdings Limited

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## **FPA – Changes to New Zealand Distribution**

Fisher & Paykel Appliances announced today that following an extensive review of the New Zealand market it would restructure its New Zealand Distribution Arrangement.

The current Distribution Arrangement dates back to the 1950's and requires Fisher & Paykel Appliances to sell products to a limited number of retailers on an exclusive basis, with a reciprocal arrangement for those retailers. Fisher & Paykel Appliances has been monitoring this distribution structure for a number of years and believes it is now in the best interests of our end Customers and the Company to make this change.

A Termination Notice, with the mandatory notice period, has been communicated to our existing retail partners, as required under the current arrangement.

Discussions surrounding the new retail understanding have been positive and are well advanced, with both our existing partners and our new retail alliances. Procedures are in place to implement the new Distribution Plan from 1<sup>st</sup> July 2010.

The new Distribution Plan provides the consumer with increased opportunity to choose from an extensive product range and at a wider selection of retail stores. As well, it strengthens the Company's potential market base by expanding distribution of Fisher & Paykel products.

Stuart Broadhurst, Managing Director & Chief Executive Officer said, "We would like to thank our New Zealand retail partners for their loyalty and support over all the years. We look forward to maintaining and continuing these close relationships in the years to come, as we work together collectively under the new Distribution Plan for the benefit of the New Zealand consumer".

The Directors expect the earnings impact in the first year, under the new Distribution Plan, to be immaterial.

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