

Half Year Update

FY2012

November 2011



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HEALTHCARE

Investment Highlights

- A leader in respiratory and OSA treatment devices
- Consistent growth strategy
- Estimated US\$3.0+ billion and growing market opportunity
- High level of innovation
- Global presence
- Strong financial performance

NZSX:FPH, ASX:FPH



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Operating Results US\$

FY12 (6 months to 30 September)

	<u>%Revenue</u>	<u>US\$M</u>	<u>ΔPCP</u>	<u>ΔCC²</u>
Operating revenue	100%	205.7	+18%	11%
Gross profit	52.5%	108.1	+12%	+8%
Other income	0.9	1.0		
SG&A	28.7%	59.1	+11%	3%
R&D	7.9%	16.2	+23%	+7%
Total Operating Expenses	36.6%	75.3	+13%	+4%
Operating Profit	16.4%	33.8	+12%	+31%
Profit after Tax¹	11.2%	23.1	+14%	+34%

1. excl. FY11 deferred tax charges

2. CC = constant currency

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Operating Results NZ\$

FY12 (6 months to 30 September)

	<u>%Revenue</u>	<u>NZ\$M</u>	<u>ΔPCP</u>	<u>ΔCC²</u>
Operating revenue	100%	252.0	+3%	+11%
Gross profit	52.5%	132.4	-3%	+8%
Other income		1.2		
SG&A	28.7%	72.3	-4%	+3%
R&D	7.9%	19.9	+7%	+7%
Total Operating Expenses	36.6%	92.2	-2%	+4%
Operating Profit	16.4%	41.4	-2%	+31%
Profit after Tax¹	11.2%	28.3	-1%	+34%

1. excl. FY11 deferred tax charges

2. CC = constant currency

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Dividend

- Interim Dividend
 - 5.4 cps
 - Fully imputed based on 28% tax rate, NZ residents
 - 0.953 cps non-resident supplementary dividend
 - DRP, 3% discount NZ/AU residents

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Respiratory & Acute Care Update

- | | H1 FY12 |
|--|---------|
| • Operating revenue growth | |
| – US\$ | 22% |
| – Constant currency | 15% |
| • Consumables revenue growth | |
| – US\$ | 25% |
| – Constant currency | 15% |
| • New applications (NIV, Optiflow™, AIRVO™, Surgical) revenue growth | |
| – US\$ | 34% |
| – Constant currency | 23% |
| – New applications, 33% of RAC consumables revenue for H1 | |



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Respiratory & Acute Care Update

- New products
 - Evaqua™ II breathing circuits
 - NIV mask
 - Neonatal Bubble CPAP masks
 - Infant resuscitator consumables
 - HumiGard™ surgical humidification system for laparoscopic surgery, open surgery



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OSA Update

- Operating revenue growth **H1 FY12**
 - US\$ 14%
 - Constant currency 8%
- Flow generator revenue growth
 - US\$ 47%
 - Constant currency 36%
- New products
 - Zest™ Q Nasal mask
 - Pilairo™ nasal pillows



F&P Zest™ Q

F&P Pilairo™

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Balance Sheet & Cash Flow H1 FY12

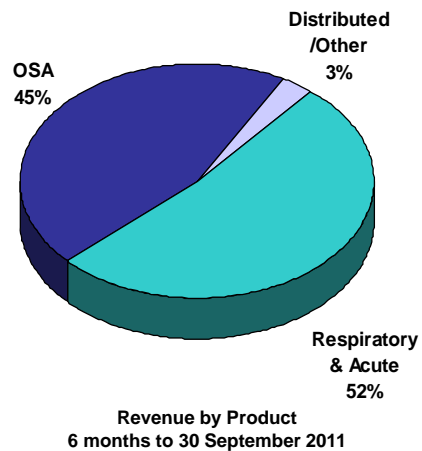
- NZ\$43.1M operating cash flow
- NZ\$27M capex, (NZ\$18M building 3), NZ\$12M D&A
- NZ\$103.2M net debt
- NZ\$309.7M total shareholders equity
- NZ\$523.9M total assets
- 26% pre-tax return on equity, annualised 15% on total assets
- NZ\$470M of hedging in place as at 30 September 2011 for FY12 H2 - US\$ 89% @ 0.70, € 86% @ 0.48
- Closed out forex contracts, NZ\$8M to operating profit in H1 FY12, NZ\$9M in H2 FY12, NZ\$18M FY13, NZ\$21M FY14

Outlook FY2012

- Expect constant currency net profit growth approx. 25%
- Expect over NZD:USD exchange rate range of 0.75 to 0.80:
 - Operating revenue NZ\$520M - NZ\$530M
 - Net profit after tax NZ\$62M - NZ\$67M

Markets and Products

- Respiratory & Acute Care
 - Heated Humidification
 - Respiratory Care
 - Neonatal Care
 - Surgery
 - Obstructive Sleep Apnea
 - Masks
 - Flow Generators
 - Humidifiers
- ➔ Consumable and accessory products represent approx. 75% of core product revenue

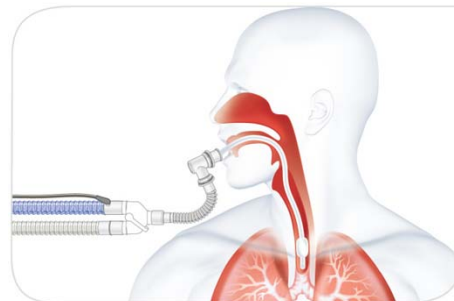


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Respiratory Humidification

- Normal airway humidification is bypassed or compromised during ventilation or O₂ therapy
- Mucociliary transport system operates less effectively
- Need to deliver gas at physiologically normal levels
 - 37 °C body core temperature
 - 44mg/L 100% saturated



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Respiratory & Acute Care

INVASIVE
VENTILATION

NONINVASIVE
VENTILATION

NASAL
HIGH FLOW

FACE MASK
OXYGEN

LOW FLOW
OXYGEN

HUMIDITY
THERAPY



Evaqua™



FreeMotion™



Optiflow™



Airvo™



Neopuff™



Evaqua™



Bubble CPAP



Optiflow™

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Respiratory & Acute Care

- MR850 Respiratory Humidifier System
 - invasive ventilation, O₂ therapy and non-invasive ventilation
- MR810 Respiratory Humidifier System
 - entry level system
 - ventilation and O₂ therapy
 - optional heated breathing circuit
- Surgical opportunity (HumiGard™)
 - laparoscopic insufflation
 - open surgery



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Single-use Respiratory Care Systems

- Single-use chambers
 - patented auto filling MR290
- Single-use breathing circuits
 - patented spiral heater wire
 - proprietary Evaqua™ expiratory tube
 - minimal condensation
 - delivery of optimal humidity
- Breathing circuit components
 - filters, catheter mount, weaning kit
- Interfaces
 - NIV masks, tracheostomy, Optiflow™, O₂ therapy
- Approx 30 system set-ups used per controller per year
- Consumable growth driving revenue growth

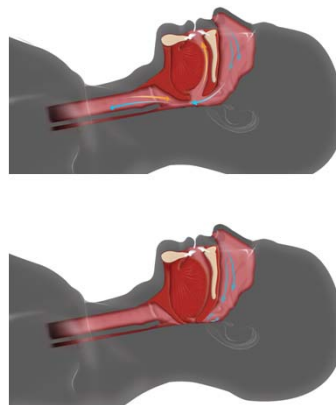


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Obstructive Sleep Apnea

- Temporary closure of airway during sleep
- Can greatly impair quality of sleep, leading to fatigue; also associated with hypertension, stroke and heart attack
- Estimated US\$2.2+ billion worldwide market, growing ≈37+%
- Potentially 50-60 million affected worldwide
- Most common treatment is CPAP (Continuous Positive Airway Pressure)
 - key issue with CPAP is compliance
- Humidification provides significant acceptance and compliance improvements



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ICON™ Stylish on the Outside



- Aesthetic appeal
- Forward facing clock with adjustable brightness
- Intuitive SmartDial™
- Swivel Elbow
- Hidden Water Chamber
- Customisable AlarmTunes™

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ICON™ Smart on the Inside

Combination of Clinical technologies

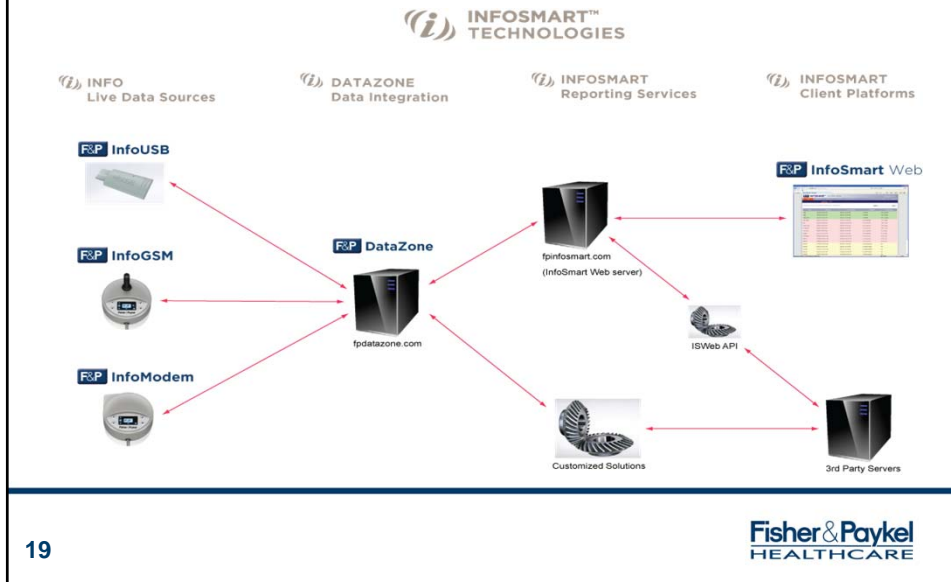


- ThermoSmart™ Humidifier Breathing Tube Technology
- Auto-adjusting CPAP
- SensAwake™
- SmartStick™ USB and InfoSmart™ Data Management

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Compliance Reporting



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Broad Mask Range

Four interface categories

- Nasal Masks
 - patented glider
 - FlexiFit™ technology
 - Zest™ Petite, Plus, Q
- Full Face Masks
 - under chin seal
 - patented glider
 - FlexiFit™ technology
 - Forma™ with Flexifoam™
- Oral Mask
 - Oracle™ oral interface
- Nasal Pillows Mask
 - very light
 - Opus 360™
 - Pilairo™



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Research & Development

- ≈ 300 engineers, scientists, physiologists¹
- 7.9% of operating revenue²
- Product pipeline includes
 - flow generators
 - humidifier controllers
 - compliance monitoring solutions
 - masks
 - respiratory consumables
- 92 US patents, 100 US pending, 366 ROW, 196 ROW pending¹



¹ at 31 March 2011

² at 30 September 2011

Manufacturing

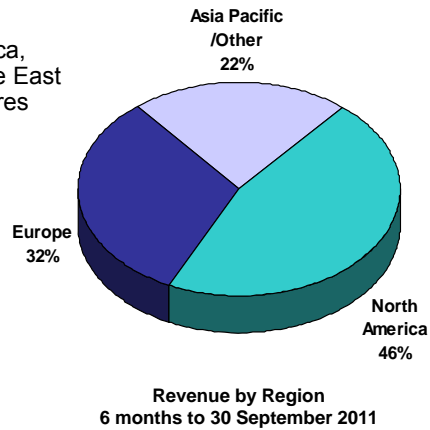
- Vertically integrated
 - electronics assembly
 - injection moulding
 - motor assembly
 - clean manufacturing
- Ample capacity to grow
- New Zealand, Auckland
 - two buildings 51,000m²/ 550,000ft² total
 - 31,000m² building 3 underway, total cost ~ NZ\$95M
 - 100 acres/40ha land
- Mexico, Tijuana
 - 18,000m²/200,000ft²
 - Consumables capacity ramping up, achieving >33% variable cost saving



Mexico Facility

Global Presence

- Direct/offices
 - hospitals, home care dealers
 - sales/support offices in North America, Europe, Asia, South America, Middle East and Australasia, 15 distribution centres
 - >500 staff in 30 countries
 - ongoing international expansion
- Distributors
 - 100+ distributors worldwide
- Original Equipment Manufacturers
 - supply most leading ventilator manufacturers
- More than 120 countries in total



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Growth Strategy

- Experts in humidification, respiratory care, and obstructive sleep apnea
- Provide innovative devices which can improve patient care and outcomes
 - Continuous product improvement
 - More devices for each patient
 - Serve more patient groups
 - Increase international presence



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