

Care.

RECORD NET PROFIT AFTER TAX
NZ\$143.4m

↑27%

RECORD OPERATING PROFIT
NZ\$211.1m

↑24%

RECORD OPERATING REVENUE
NZ\$815.5m

↑21%

HOSPITAL / RAC REVENUE GROWTH
NZ\$436.3 MILLION

↑22%

HEALTHCARE / OSA REVENUE GROWTH
NZ\$365.8 MILLION

↑21%

GROSS MARGIN IMPROVEMENT

284bps

TOTAL DIVIDEND FOR THE YEAR
NZ16.7CPS FULLY IMPUTED

↑21%

Dear Shareholders

We are pleased to report a record financial result for the 2016 financial year with net profit after tax of \$143.4 million, an increase of 27% over the previous year.

Our operating revenue was also a record \$815.5 million, 21% higher than last year. Both product groups, Hospital/RAC and Homecare/OSA delivered record operating revenue results. RAC product group revenue grew 22% to \$436.3 million, or 15% growth in constant currency, and OSA product group revenue grew 21% to \$365.8 million, or 12% growth in constant currency.

Our strong year on year growth across both our major product groups – Hospital / Respiratory & Acute Care (RAC) and Homecare / Obstructive Sleep Apnea (OSA), can be attributed to the increasing adoption of our products by healthcare providers as they strive to improve effectiveness and efficiency of care for their patients.

We continue to produce a premium range of medical devices, designed to improve patient care and outcomes. In the last year, we estimate that our products were used in the treatment of more than 10 million patients around the world.

Healthcare costs increase in relation to increasing complexity of care. Our medical devices are designed for simplicity and performance, reduce a patient's need for treatment in high intensity areas of the hospital and where possible, facilitate patient independence and treatment in the home. These attributes not only lead to more effective therapy outcomes, but also reduce costs for healthcare providers.

Dividend

The Board has approved an increased final dividend for the year of 10cps. This takes the total dividend for the financial year to 16.7cps, an increase of 21% on the previous year.



Tony Carter



Lewis Gradon

Key achievements this financial year include the transition to a direct sales model for our respiratory products in the United States. This has been successfully completed and we expect to see benefits of this in the next financial year.

We also have established a larger distribution facility in California. The new location provides a sustainable platform for the growth of our global supply chain operations with good access to infrastructure and services. Manufacturing capability in Mexico also continues to grow.

We believe we are well positioned to continue delivering on our growth strategy and strengthening our position as a global leader. As population growth and changing demographics place increasing demands on global healthcare systems, we will continue to invest in R&D to support product innovation and development. This year, we invested \$73.3 million, which is 9% of our operating revenue. This is fuelling one of our most exciting periods of product development, with a wide range of products expected to be released during this current year.

Our strategy remains consistent: focusing on continuous product improvement, serving more patient groups, broadening the range of assistance we can provide for each patient and expanding our global reach. This approach is well proven and has steadily guided us to record operating revenue for more than a decade, and we believe that it will continue to deliver robust revenue growth in the coming financial year.

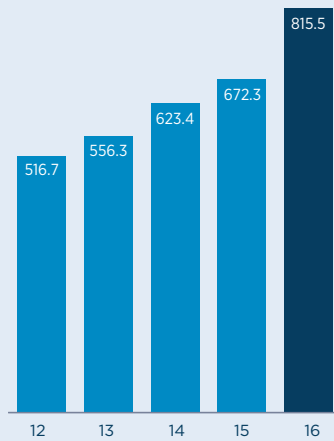
TONY CARTER, CHAIRMAN

LEWIS GRADON, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

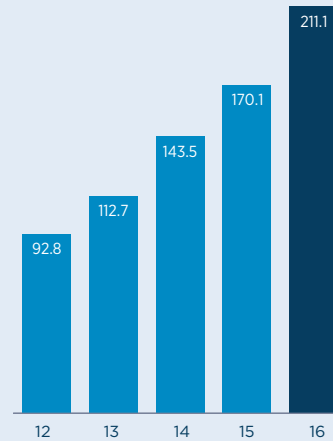
Full Year Results

Our consistent long-term strategy has continued to deliver growth this year.

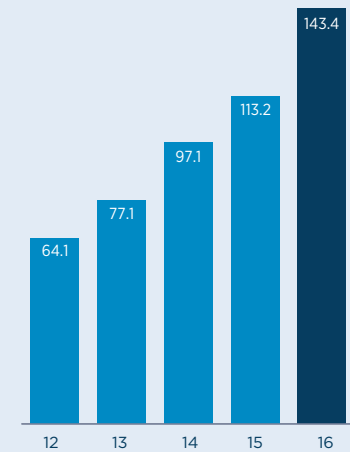
OPERATING REVENUE NZ\$ MILLIONS



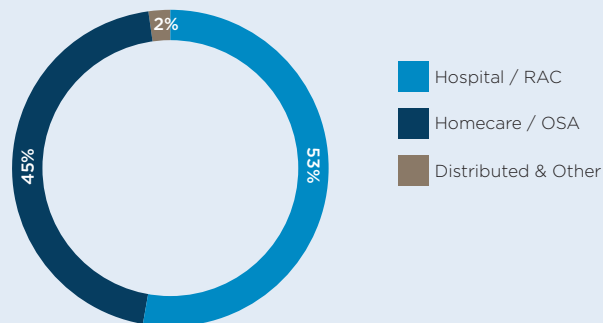
OPERATING PROFIT NZ\$ MILLIONS



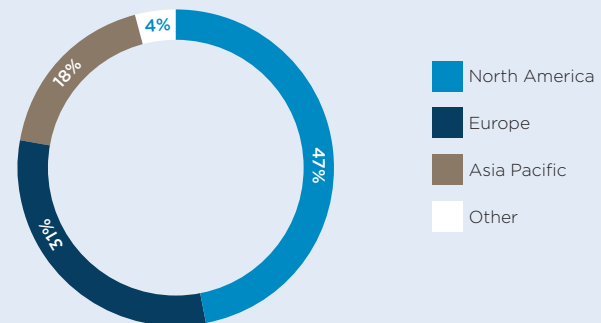
PROFIT AFTER TAX NZ\$ MILLIONS



REVENUE BY PRODUCT GROUP - 12 MONTHS TO 31 MARCH 2016



REVENUE BY REGION - 12 MONTHS TO 31 MARCH 2016



Hospital/RAC

Fisher & Paykel Healthcare offers comprehensive medical devices for hospitals across invasive and non-invasive ventilation, nasal high flow therapy and surgery.

Humidity is crucial to respiratory health and well-being. Our products incorporate patented and proprietary technologies designed to emulate the balance of temperature and humidity that occurs naturally in healthy lungs. This approach restores natural balance and seeks to ensure optimal outcomes for patients and their caregivers.

Sales of Hospital / RAC products accounted for 53% of operating revenue in FY16.

FY16 HIGHLIGHTS

Increasing numbers of clinical trials providing evidence of patient benefits from using our products

Strong customer demand for our Optiflow™ and AIRVO™ systems

Optiflow™ nasal high flow therapy being used in a broader range of patient groups within the hospital

A number of new product launches expected in the coming year

Homecare/OSA

Obstructive sleep apnea (OSA) occurs when one's airway temporarily closes during sleep, forcing sufferers to wake either partially or completely to breathe again. This can occur up to several hundred times a night, and if left untreated, can lead to serious health problems.

Our continuous positive airway pressure (CPAP) devices and innovative masks are used to treat OSA. CPAP therapy keeps the airway open, a recognised simple and effective treatment for OSA. We are also increasingly seeing our devices being used in the treatment of chronic respiratory conditions such as chronic obstructive pulmonary disease (COPD).

Sales of Homecare / OSA products accounted for 45% of operating revenue in FY16.

FY16 HIGHLIGHTS

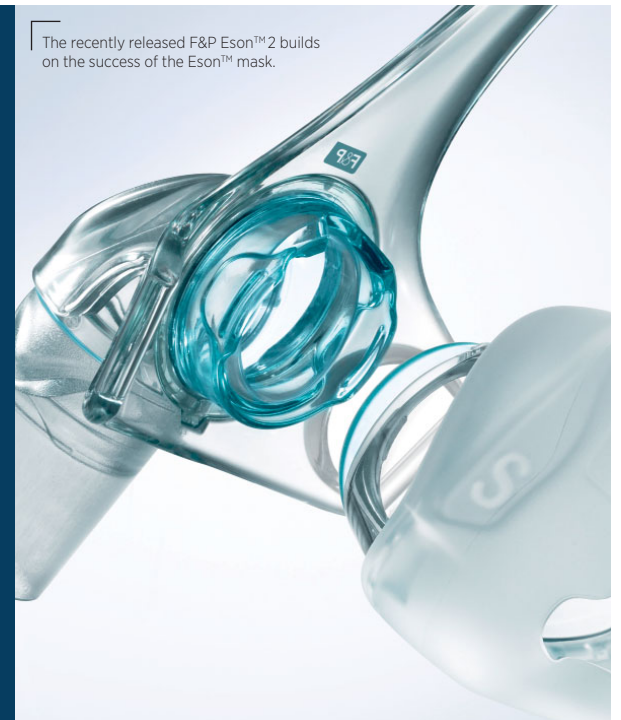
Strong customer demand for our Eson™ 2 and Simplus™ masks

Exciting product pipeline, with several product launches anticipated

Completed 30 trials across product development and post market studies

Expansion of functionality and geographic coverage of our InfoSmart™ Web platform

The recently released F&P Eson™2 builds on the success of the Eson™ mask.



The F&P Optiflow™+ nasal cannula incorporates the latest in innovative technology.



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