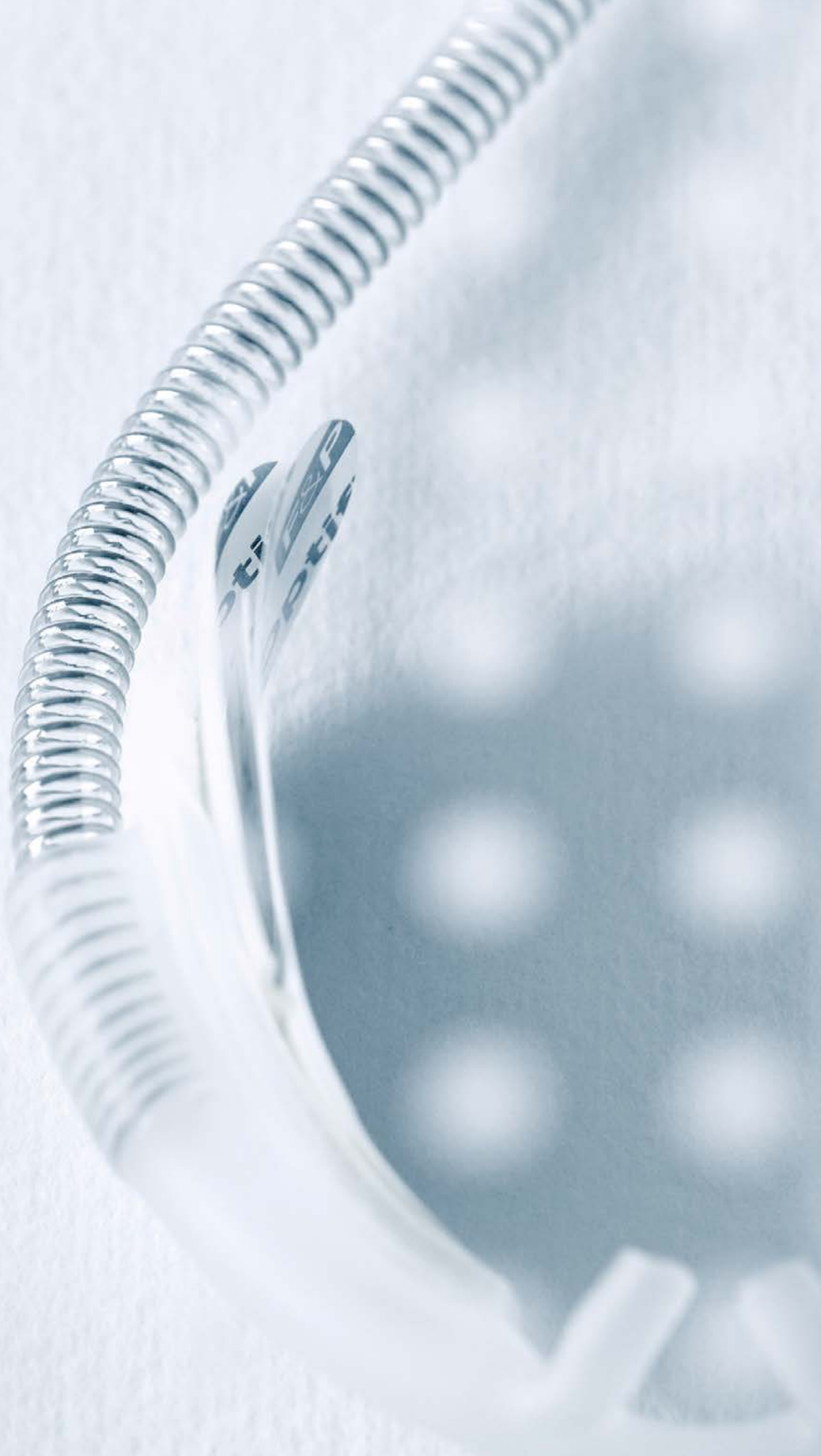
2015

Annual Report



Fisher & Paykel HEALTHCARE

Patient Care

For 45 years, Fisher & Paykel Healthcare has been adding value to patients, clinicians and healthcare organisations around the world. At the core of our success is our ability to create innovative medical devices which can demonstrably improve patient care and outcomes.

Every year the demand for healthcare services is growing. As people age, they typically require more healthcare. As healthcare practices improve, people are living longer. As emerging markets develop, their populations expect access to a broad range of leading healthcare technologies.

The burden of healthcare is becoming potentially unsustainable and providers are being challenged to find new and better ways of delivering these services. Our strategy is to provide medical devices which can help to improve the effectiveness and efficiency of patient care.

Our world-leading healthcare products are used to improve health outcomes for millions of patients every year. And it's not just patients who are benefiting – we also add value to clinicians and healthcare organisations as we help them to deliver more effective and efficient healthcare services.

Our medical devices and technologies can help patients get better faster which then frees up clinicians and allows them to provide care for more patients.

We help patients transition to less acute and therefore less expensive care settings. We help patients recover quicker. We provide solutions that can help patients avoid more acute conditions. And we provide the ability for some patients to be treated in the home rather than the hospital. Our primary purpose is to improve care and outcomes through inspired and world leading healthcare solutions. And as we do so, we will add value for patients, our customers and shareholders.

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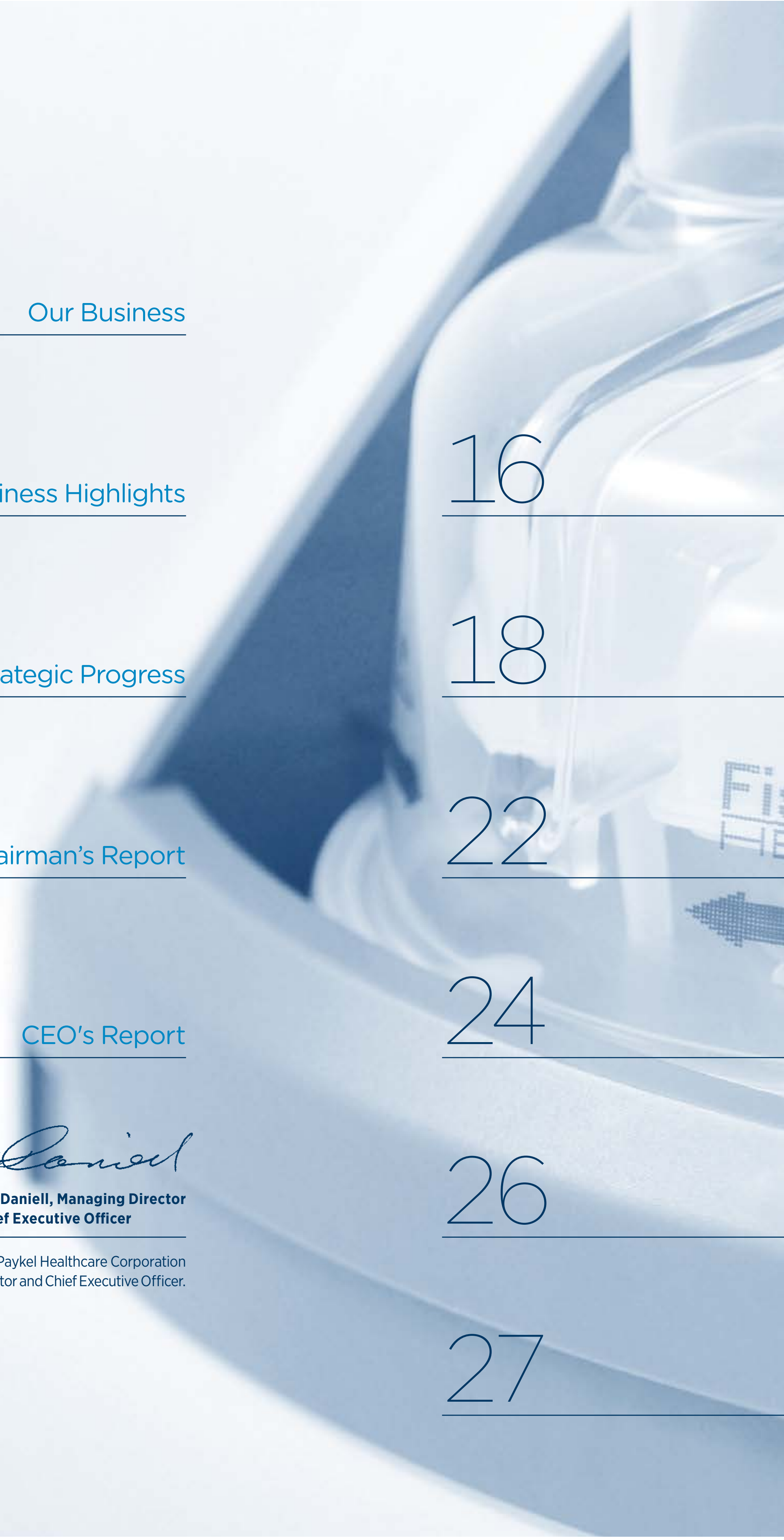


Tony Carter, Chairman

Michael Daniell, Managing Director and Chief Executive Officer

This report is dated 28 May 2015 and is signed on behalf of Fisher & Paykel Healthcare Corporation Limited by Tony Carter, Chairman and Michael Daniell, Managing Director and Chief Executive Officer.

Constant currency information contained within this report 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 financial year. A reconciliation between reported results and constant currency results is available on page 29. The company's constant currency income statement framework can be found on the company's website at www.fphcare.com/CCIS.

Our Business

10 MILLION+ PATIENTS TREATED DURING THE YEAR USING OUR MEDICAL DEVICES

10M+

$65 MILLION SPEND ON R&D

NZ$65M

ENGINEERS AND SCIENTISTS WORKING IN R&D

430+

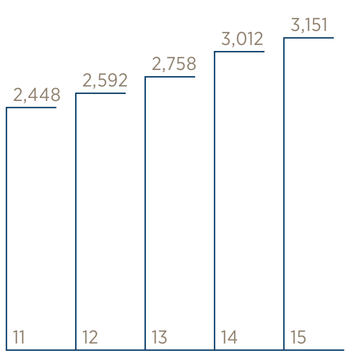
POTENTIAL GLOBAL MARKET OPPORTUNITY

US$5B+

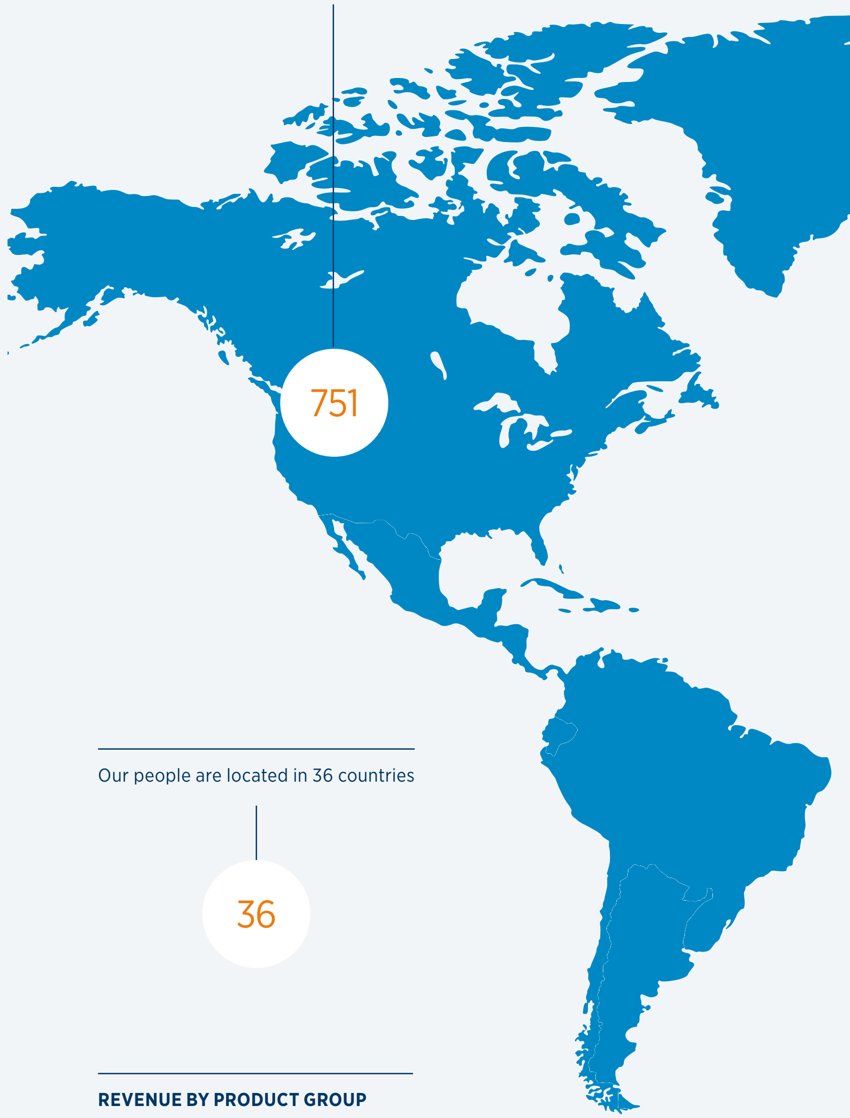
CURRENT RANGE OF PRODUCTS, ACCESSORIES AND PARTS

2,700+

GROWTH IN EMPLOYEE NUMBERS



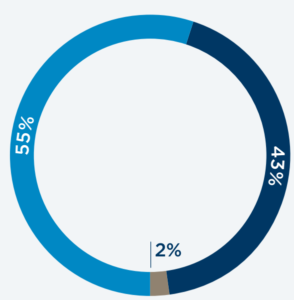
751 employees in North America



Our people are located in 36 countries

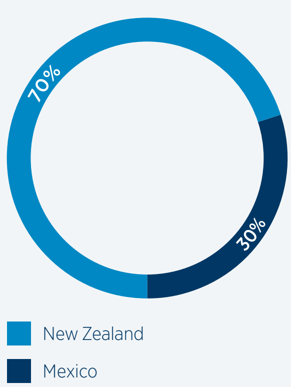
36

REVENUE BY PRODUCT GROUP

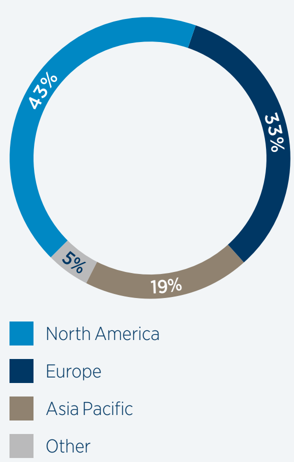


Respiratory & Acute Care
Obstructive Sleep Apnea
Distributed & Other

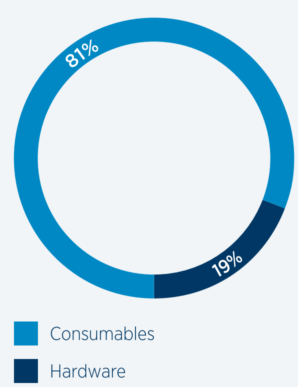
REGIONAL MANUFACTURE OF CONSUMABLES



OUR PRODUCTS ARE SOLD IN 123 COUNTRIES

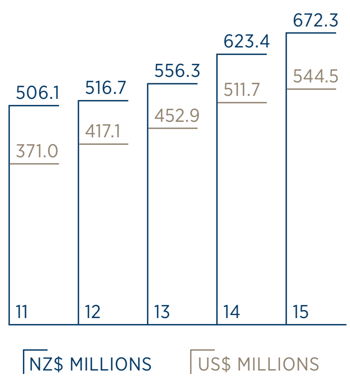


REVENUE FROM HARDWARE AND CONSUMABLES

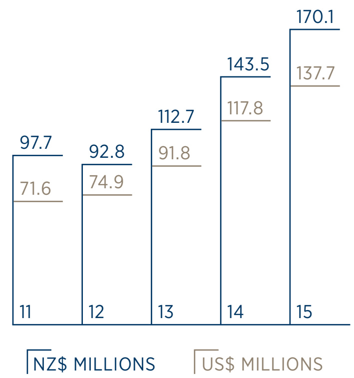


Full Year Results

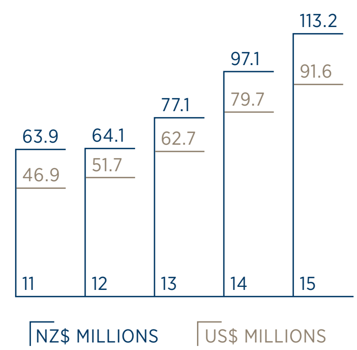
OPERATING REVENUE



OPERATING PROFIT

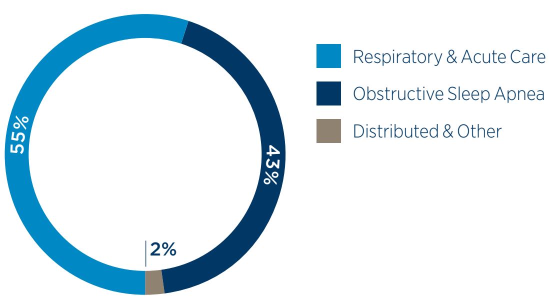


PROFIT AFTER TAX*

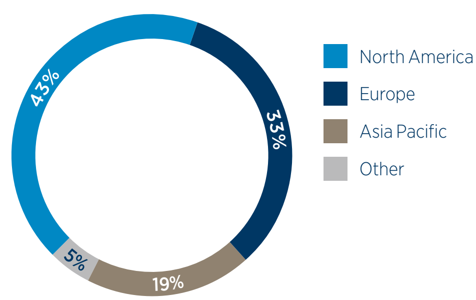


* Prior to one-off non-cash deferred tax charges (2011)

REVENUE BY PRODUCT GROUP – 12 MONTHS TO 31 MARCH 2015



REVENUE BY REGION – 12 MONTHS TO 31 MARCH 2015



Business Highlights

AUGUST 2014

FPH named in TIN100 'Ten Companies To Watch' List

FPH named as Finalist in the AmCham-DHL Express Success and Innovation Awards for Exporter of the Year

FPH Mexico celebrates its fifth birthday

SEPTEMBER 2014

FPH Education website launched

OCTOBER 2014

Support for Future Directors' Initiative with appointment of Franceska Banga as board observer

F&P Simplus full face mask achieves another win at the New Zealand BEST Design Awards

RECORD NET PROFIT AFTER TAX

NZ$113.2 MILLION

↑17%

OPERATING PROFIT

NZ$170.1 MILLION

↑19%

RECORD OPERATING REVENUE

NZ$672.3 MILLION

↑8%

TOTAL DIVIDEND FOR THE YEAR

13.8CPS FULLY IMPUTED

↑11%

SPEND ON R&D

9.7% OF OPERATING REVENUE

NZ$65M

GROSS MARGIN IMPROVEMENT

252 BASIS POINTS

252BPS

RAC REVENUE GROWTH

NZ$368.2 MILLION

↑9%

OSA REVENUE GROWTH

NZ$291.1 MILLION

↑8%

NOVEMBER 2014

FPH wins Best Investor Relations by a New Zealand company at the Australasian Investor Relations Association Awards

DECEMBER 2014

FPH named as part of the 2014 Asia-Pacific IP Elite club which recognises companies that are seen as intellectual property creation trailblazers

FPH expands manufacturing area at its Mexico facility

FPH Chairman, Tony Carter, named as Chairperson of the Year in the Deloitte Top 200 Awards

MARCH 2015

FPH's OSA finance team wins Financial Innovation Project of the Year in the 2015 CFO Awards

POST YEAR-END

Announced plan to move to direct RAC sales operations in the United States, with effect from 20 July 2015

FPH CEO, Michael Daniell, receives Leadership Award at INFINZ Awards

FPH wins Market Leaders Best Corporate Communicator at INFINZ Awards

Strategic Progress in 2015

CONTINUOUS PRODUCT IMPROVEMENT

Continually develop new products and improve existing products to provide better care and patient outcomes

ACHIEVEMENTS

Invested $65 million in R&D expenses

Excellent progress on significant pipeline of new products across both major product groups

Launched new range of products for use with our AIRVO 2 nasal high flow system, including new Optiflow+ nasal cannula range, AirSpiral tube technology and portable power supply

Number of new products nearing introduction

MORE PRODUCTS FOR EACH PATIENT

Extend the range of products we provide for use in the care and treatment of each patient

ACHIEVEMENTS

Continuing to expand the range of products offered

81% of revenue from sales of recurring consumable and accessory products

SERVE MORE PATIENT GROUPS

Increase the number of patients who may benefit from our products by identifying new applications for our products

ACHIEVEMENTS

Increasingly serving additional patient groups outside of traditional invasive ventilation

45% of RAC consumables revenue from new applications for our products

Particularly strong growth in use of Optiflow and AIRVO systems for nasal high flow therapy

Developed portable power supply system for AIRVO 2, which will allow nasal high flow therapy "on the move" during transport between emergency rooms, intensive care units, general care areas and radiology departments, as well as during rehabilitation or diagnostic procedures

INCREASE OUR INTERNATIONAL PRESENCE

Expand the global market for our products, place our own people supporting our own products in markets around the world, and build our global network of distributors

ACHIEVEMENTS

Opened direct sales operations in Finland and Russia

Completed expansion of new manufacturing area in Mexico facility

Expanded warehouse in Kentucky in preparation for commencement of more direct RAC sales operations in US

Grew global team by 5% to 3,151 employees

Large pipeline of new products nearing introduction

Grew global team by 5% to 3,151 employees

81% of revenue from sales of recurring consumable and accessory products

Chairman's Report

Tony Carter, Chairman

This has been a historic year for our company as we delivered a record $113.2 million net profit after tax, exceeding more than $100 million for the first time.

This achievement was delivered as a result of robust growth across both our major product groups, with operating revenue of $672.3 million also a record for our company.

Our 11% compound annual operating revenue growth rate over the past 15 years can be directly attributed to the successful execution of our consistent growth strategy – to provide an expanding range of innovative medical devices which can help to improve outcomes and efficiency of care for patients in an increasing range of applications, both in hospital and homecare settings.

We continue to make significant progress on our four-pillar strategy and our people and shareholders can be proud of what we are achieving. We have an expanding range of leading edge products, increasing demand from a growing number of customers, a team of talented and committed people and a reputation as a world-class company.

We estimate that our products were used in the treatment of over 10 million patients in the last year. Clinicians and healthcare providers are increasingly choosing our products as they have confidence that these will help deliver better patient outcomes, more effectively and efficiently.

Healthcare providers are under increasing pressure to meet a growing demand for quality healthcare services. Our products can help to achieve this.

We support clinical research to validate the improvements in patient outcomes that our products can deliver, and we work closely with clinicians and healthcare organisations to identify ways in which our products can help them provide a better healthcare solution.

Our experience is that changing clinical practice takes time and requires considerable work over many years. Our strong reputation and the adoption of improved therapies or devices by respected key opinion leaders is an important part in gaining the confidence of clinicians in the healthcare sector.

We have also been making excellent strategic progress in building our international presence. Our global team grew by 5% in the last year and we now have our own sales operations in 30 countries, with Russia and Finland added in the last year. Our next big initiative is to establish our own direct hospital sales operations in the United States, which is our biggest market. The benefit of these direct operations is that we have a dedicated focus on our own products, rather than being one of several in a distributor's portfolio.

Innovation is essential to our success. Our aim is to lead the way in the development of world-leading medical devices and technologies in Respiratory and Acute Care (RAC), and Obstructive Sleep Apnea (OSA). We are one of New Zealand's largest investors in R&D, with the vast majority of this work carried out in our facilities in Auckland, New Zealand.

The support and confidence of our shareholders is important to us. As a Board, we seek to achieve the highest standards of corporate governance and investor relations best practice. We are pleased to have had our efforts recognised over the last year with a number of awards in these areas.

Last year, we announced that Fisher & Paykel Healthcare had become a supporter of the Future Directors Initiative and we welcomed Franceska Banga as an observer at our Board meetings. The aim of the initiative is to provide talented executives with insights into the governance process and we hope to extend this offer to another executive at the end of Franceska's 12-month term.

As recently announced, Roger France has indicated to the Board that he intends to retire as a director of the company in the coming year. On behalf of the Board I would like to thank Roger for his dedication and significant contribution over the past six years. Since his appointment in 2009, Roger has been a core part of the team that has overseen the delivery of strong earnings growth and increased returns to shareholders.

The directors have commenced the search for a suitable replacement for Roger and expect an appointment to be announced before the end of the calendar year.

We have had a longstanding goal of doubling our constant currency operating revenue every five to six years and expect to achieve NZ$1 billion of annual operating revenue within the next three years. Reaching that target will be a major accomplishment for our team.
In the coming year we will continue to focus on continually improving our products, serving more patient groups, extending our product ranges and growing our international presence. We expect continuing growth in the 2016 financial year with further improvement on this year's exceptional performance.

Tony Carter
Chairman

> We believe that our company is well positioned to continue executing its growth strategy and strengthening its position as a global leader.

DIVIDEND

We have a strong balance sheet with gearing at year end reduced to 10%, within our target range of 5% to 15%.

Given this, and the improved earnings, the Board has approved an increased final dividend for the year of 8.0 cps. The dividend reinvestment plan will again be offered, without discount, in respect of the 2015 final dividend payment.

This takes the total dividend for the financial year to 13.8 cps, an increase of 11% on the previous year, and equates to 68% of net profit after tax.

The company's directors have reviewed the company's gearing and dividend policies and have established a revised target debt to debt plus equity ratio in the range of +5% to -5% to support business growth and operation of its foreign currency hedging policy. The company now expects that a dividend pay-out ratio of approximately 70% of net profit after tax will be appropriate to achieve and maintain that target gearing.

Chief Executive Officer's Report

Michael Daniell,
Managing Director and
Chief Executive Officer

The 2015 financial year was very encouraging for our company, as we achieved record levels of operating revenue and net profit after tax.

Both our major product groups contributed to our successful performance, with revenue growth for both RAC and OSA estimated at about double the market growth rate.

More clinicians are now choosing to use our products and technologies as they experience the improvements in effectiveness, efficiency and patient outcomes these deliver. This has been an important contributor to the increase in the number of patients being treated using our products over the last year, which we now estimate is more than 10 million.

Respiratory and acute care (RAC) revenues grew 9% to $368.2 million

Pleasingly, we are continuing to see strong growth in the use of our RAC products in new applications. Traditionally, our products were used only in intensive care for the delivery of invasive ventilation. Now we are seeing increasing use in oxygen therapy, non-invasive ventilation and surgery.

Revenue from new applications grew 26% in constant currency and now accounts for almost half of our RAC consumables revenue.

Obstructive sleep apnea (OSA) revenues grew 8% to $291.1 million

We also achieved robust growth in OSA revenue. The continuous improvement of our products to meet the needs of both patients and home healthcare providers is an essential factor in this growth.

The mask is a key component for the successful delivery of CPAP therapy used to treat OSA. Masks are an important focus for our R&D teams, who have developed innovative technologies to improve the comfort and ease of use, such as the Rollfit seal. Escalating sales of our masks have been a key contributor to our excellent growth in OSA.

We are also seeing ongoing expansion of the market as more people are diagnosed with OSA and seek treatment. We estimate that less than a quarter of the 50 million+ people worldwide with OSA have been diagnosed.

Recurring sales of consumables and accessories at 81% of total revenue

Recurring sales of consumables and accessories, such as breathing circuits, chambers, nasal cannulas and masks now account for 81% of operating revenue.

Expanding our international presence

We are a global organisation with our products sold in more than 120 countries.

Over 98% of our revenue is generated outside New Zealand with 76% from our two largest markets – North America and Europe. We are also seeing encouraging growth in emerging markets such as India and China.

One of our four strategic pillars is to increase our international presence. We currently have our own people located in 36 countries and more than 200 partnerships with distributors worldwide.

In the next few months, we will assume direct responsibility for sales of our respiratory products in the US. We have enjoyed a longstanding relationship with our current distributor and will be working with them to ensure a smooth transition. As a part of this, we have expanded our Kentucky distribution centre and will be doubling the size of our US hospital sales and support team.

As the number of direct sales operations increases, so does the revenue we generate in local currencies. This is reducing our exposure to the US dollar.

Gross margin expansion continued

We are continuing to drive efficiencies and our gross margin increased by 256 basis points in the 2015 financial year. Our investment into R&D is delivering higher value products with better margins, and we are also creating efficiencies from logistics and manufacturing improvements and from increasing the volume of manufacturing being carried out at our Mexico facility.

Last year, we completed the expansion of the manufacturing area in our Mexico facility. We expect to be manufacturing approximately half of the company's consumable product volume at the Mexico facility within the next three years.

R&D spend up 20% to $65 million

We are one of the largest private investors in research and development in New Zealand, with R&D expenses of $65 million in the 2015 financial year, almost 10% of our operating revenue. This enables us to continually improve our products and develop innovative, world class technologies that can help to improve patient care and outcomes.

> We are one of the largest private investors in research and development in New Zealand, with R&D expenses of $65 million in the 2015 financial year, almost 10% of our operating revenue.

We are careful to protect our innovations and filed 113 provisional patents for new inventions in the 2015 financial year, a 43% increase on the previous year. We were pleased to be named in the Asia Pacific IP Elite, a list of 54 organisations in the Asia Pacific region that consistently put intellectual property protection at the heart of their commercial decision making.

Following a large number of successful product launches in previous years, we have spent the last year progressing our extensive new product pipeline. We expect to see many of these introduced in the next 12 to 18 months.

Launch of range of new innovative products for use with AIRVO 2

The first of these, launched in April 2015, is a range of innovative new products for use with the AIRVO 2 system. These new products, used in delivering nasal high flow therapy, include the Optiflow™+ nasal cannula range, AirSpiral™ tube and a portable power supply.

The addition of a portable power supply to the AIRVO 2 system opens up a world of possibilities for delivering nasal high flow therapy "on the move" throughout hospitals and long-term care facilities.

Continuous power means continuous therapy: during transport between emergency rooms, intensive care units, general care areas and radiology departments, as well as during rehabilitation or diagnostic procedures.

The addition of the portable power supply to the AIRVO 2 means that patients can stay on the same therapy and same equipment, simplifying patient care as well as reducing workload and costs. We believe this will facilitate accelerated adoption of Optiflow nasal high flow therapy throughout the hospital, including in general care areas and in the emergency department.

Clinical studies building confidence in our products

Clinical studies are an important element in building confidence in the efficacy of our products, particularly in new clinical settings. We work closely with respected healthcare organisations to support these studies, with a number published in the last year.

In May 2015, a very positive clinical study result was published in one of the most prestigious peer-reviewed medical journals, the New England Journal of Medicine. Dr Jean-Pierre Frat and his group reported a secondary outcome for a 310 patient group across 23 intensive care units in France and Belgium: treatment with Optiflow nasal high flow therapy significantly improved the survival rate among patients with acute hypoxemic respiratory failure, compared to standard oxygen therapy or non-invasive ventilation. See page 21 of this annual report for further details of this clinical study.

Preliminary findings in a study at Aalborg University Hospital in Demark found that the use of nasal high flow therapy at home, delivered by Fisher & Paykel Healthcare's myAIRVO system through an Optiflow nasal cannula, improved outcomes for patients with Chronic Obstructive Pulmonary Disease and reduced hospital admissions.

The Carpenteri et al study recently published in the Annals of Surgical Oncology reported that protecting the peritoneum with warm humidified gas using F&P HumiGard™ may help to improve survival in patients with cancer and those undergoing minor laparoscopic procedures with unrecognised cancer.

> We believe our people are our strength. Our ongoing success is a direct result of the skills and expertise of our people and we now have more than 3,150 employees working in or supporting 123 countries around the globe.

These are all positive outcomes for our products and an essential factor in assisting clinical adoption.

Investment in our people

Our people are our strength. Our ongoing success is a direct result of the skills and expertise of our people and we now have more than 3,150 employees working in or supporting 123 countries around the globe.

We value self-motivation, the drive to make a real contribution and innovative thinking. In return, we offer our people the opportunity to work for a world class, successful company where each employee is valued and respected. This drives confidence in our company as an employer and enables us to attract high calibre employees and talented graduates.

Future Insights

The demand for our products and technologies continues to grow as healthcare systems are put under increasing pressure to manage growing healthcare costs.

Aging populations result in a need for more healthcare services. As incomes increase, populations in emerging markets are expecting better quality healthcare services. As demand grows, healthcare systems are looking for better and more efficient ways to deliver their services.

There is a direct link between level of care and cost. The more acute the care setting, the more clinical time and resources required to care for those patients. Our products are designed to help reduce acuity of care and length of stay, whether that be a general ward versus critical care, or home care versus hospital admission.

Our markets are growing as we identify new clinical applications for our RAC products and as more people are diagnosed with OSA. Many thousands of clinicians and more than 10 million patients have used our products and technologies in the last year alone.

However, we believe this is only a fraction of the future opportunity and estimate there are potentially more than 100 million patients who could benefit from our products each year.

Our Goals for 2016

We have a very consistent growth strategy, which continues to prove itself year after year – to continually improve our products, to serve more patient groups, to expand our range of products and to grow our international presence.

To achieve our potential, we will continue encouraging clinicians to use our RAC products in a broadening range of clinical settings and focus on ensuring our OSA products are the preferred choice for people receiving treatment for OSA and their care providers.

At the heart of this is our ability to innovate and continuously improve our products.

We are looking forward to another productive year at Fisher & Paykel Healthcare as we continue to help to improve patient care and outcomes.

Michael Daniell
Managing Director and Chief Executive Officer

F&P Simplus full face mask: Escalating sales of our masks have been a key contributor to our excellent growth in OSA

Respiratory and Acute Care

RAC

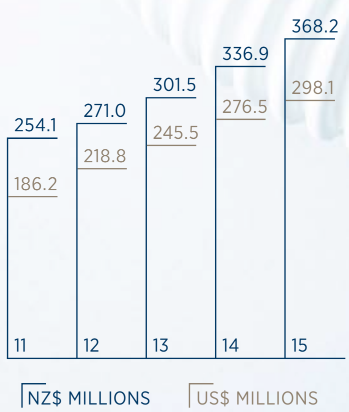
RAC OPERATING REVENUE

↑ 9%

RAC CONSTANT CURRENCY REVENUE

↑ 14%

FY15 PERFORMANCE – OPERATING REVENUE



Our innovative heated humidifier and respiratory products are used in the treatment of a variety of medical conditions which interfere with normal respiration.

Our growth strategy is to continually innovate and improve on our products and technologies, to provide more of the products used in the treatment of each patient, and to identify new patient groups who may benefit from our technologies.

Over the past five years, we have seen growing acceptance of our products for use in areas outside our traditional invasive ventilation market. Our key customers are clinicians and healthcare professionals. Our specialist sales team and distribution partners work closely with these customers to encourage trial and use of our products.

Sales of RAC products accounted for 55% of operating revenue for FY15.

FY15 HIGHLIGHTS

- Progressed R&D pipeline of new products and expanded range of consumables
- 26% constant currency growth of consumables revenue from use in new applications
- 45% of RAC consumables revenue from use in new applications

Obstructive Sleep Apnea

OSA

OSA is a debilitating condition that causes sufferers to stop breathing for short periods, many times while sleeping.

We are a leading innovator in continuous positive airway pressure (CPAP) therapy devices, the gold standard in the treatment of OSA. CPAP is delivered through a mask attached to a quiet flow generator device which generates airflow and enough pressure to keep the airway open.

Comfort and ease of use are key factors in compliance with CPAP therapy. Our focus is on designing products which are easy to fit, comfortable to wear and simple to use. Innovative masks, including the award-winning Simplus mask, have been instrumental in driving growth in OSA sales.

Sales of OSA products accounted for 43% of operating revenue for FY15.

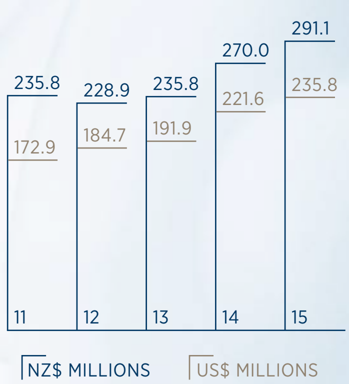
OSA OPERATING REVENUE

↑ 8%

OSA CONSTANT CURRENCY REVENUE

↑ 14%

FY15 PERFORMANCE – OPERATING REVENUE



FY15 HIGHLIGHTS

Sales of masks increased 22% in constant currency

Progressed R&D pipeline of new mask range and flow generator platform

F&P Simplus full face mask achieves another win at the New Zealand BEST Design Awards

Global People, Global Thinking, Global Behaviour

Mexico Expansion

We expect to be manufacturing approximately half of the company's consumables in the Tijuana facility within three years

In December we celebrated the opening of the expansion of the manufacturing area in our Tijuana, Mexico facility. An investment of approximately $4 million dollars has expanded the clean room area by two thirds to approximately 9,000m^2.

The expanded clean room area will accommodate the installation of additional manufacturing equipment for products such as breathing systems and masks. We expect to be manufacturing approximately half of the company's consumable product volume in the Mexico facility within three years.

The expansion of the Tijuana facility was needed to ensure that we can meet anticipated demand as a result of strong customer acceptance of products such as our new masks and Optiflow oxygen therapy system.

We are Innovators

F&P HumiGard™ and Carpinteri study

Colorectal cancer is one of the top five most commonly diagnosed cancers with a mortality rate of approximately 30 percent.

About 72% of cases arise in the colon and about 28% in the rectum. Most people with colon cancer, particularly in earlier stages, will have some type of surgery, usually laparoscopic, to remove the tumor. More than 40,000 surgical procedures are performed for colorectal cancer every year in the United Kingdom alone.

This type of surgery leaves patients at risk of developing surgical complications including infection and secondary spreading of the cancer to the peritoneum (the inner lining of the abdomen).

The use of the F&P HumiGard System to deliver warm humidified CO_2 to the surgical site during laparoscopic surgery reduces cellular damage and helps to maintain the protective barrier of the peritoneum against the harmful effects of cold, dry CO_2.

Associate Professor Craig Lynch, Colorectal Surgeon, Peter MacCallum Cancer Centre: "Of those who die from colorectal cancer, one-third will have evidence of peritoneal disease. Half of those will have peritoneal disease at diagnosis but half will develop it subsequently after their index surgery. Any measures that can help to reduce the risk of peritoneal cancer are significant to patient survival.

“We know that core body temperatures drop when people are anaesthetised. And studies have shown that tumours are more likely to grow when body temperatures are below normal range. Therefore it is very important to recover that body temperature as quickly as possible.

“That’s definitely something we see with the F&P HumiGard System. As soon as we started using it, our anaesthetists could clearly see how easy it was to control a patient’s body temperature and how quickly the body temperature recovered.”

A recent and important study in the mouse model, by Carpinteri et al, published in the Annals of Surgical Oncology, demonstrates that HumiGard can reduce tumour cell implantation in the peritoneum, and thus reduce the development of peritoneal metastases. By protecting the peritoneum with HumiGard the number of mice to develop peritoneal metastasis was halved. In addition, the paper demonstrates improved operative temperature maintenance and significantly reduced damage to the abdominal lining.

Improving Patient Care and Outcomes

Optiflow and Frat study

A number of positive clinical study results have been published over the past few months.

The most recent clinical study was published in one of the most prestigious peer-reviewed medical journals, the New England Journal of Medicine, in May. Dr Jean-Pierre Frat and his group reported a secondary outcome for a 310 patient group across 23 intensive care units in France and Belgium: treatment with Optiflow nasal high flow therapy significantly improved the survival rate among patients with acute hypoxemic respiratory failure, compared to standard oxygen therapy or noninvasive ventilation.

Ninety-day mortality was 12% for those patients who were treated with Optiflow nasal high flow therapy, compared to 23% for standard oxygen therapy, and 28% for noninvasive ventilation.

An editorial was also published in the same edition of the New England Journal of Medicine which concluded that high-flow oxygen should be used for the treatment of patients without hypercapnia and with acute severe hypoxemic respiratory failure in the emergency department, the intensive care unit, and hospital settings in which appropriate monitoring is available.

This study adds to the large and growing body of evidence showing the significant benefits provided by our Optiflow and AIRVO systems which are used in the delivery of nasal high flow therapy. We believe that this study, and the numerous other studies currently being conducted in this area, will assist in growing the clinical adoption of our Optiflow and AIRVO systems.

Our Board

Tony Carter

CHAIRMAN

Board Responsibilities:
Chair Remuneration & Human Resources Committee, Chair Nomination Committee, Member Audit & Risk Committee, Member Quality, Safety & Regulatory Committee

Term of Office:
Appointed December 2010, last re-elected 20 August 2014, appointed chairman in April 2012

Tony is a highly respected director and sits on the Board of a number of New Zealand companies. He was managing director of Foodstuffs New Zealand Limited for ten years, until his retirement in 2010. Tony is also chairman of Air New Zealand Limited and Blues Management Limited, a director of Fletcher Building Limited, and ANZ Bank New Zealand Limited, and a trustee of the Maurice Carter Charitable Trust.

Master of Engineering, Master of Philosophy

Michael Daniell

MANAGING DIRECTOR

Board Responsibilities:
Chair Audit & Risk Committee, Member Remuneration & Human Resources Committee, Member Nomination Committee

Term of Office:
Appointed November 2001, last re-elected 22 August 2013

Mike became Managing Director and Chief Executive Officer of Fisher & Paykel Healthcare in November 2001 when Fisher & Paykel's healthcare business was established as a separate entity. Prior to that, he had worked in various roles at Fisher & Paykel since 1979, including as General Manager of Fisher & Paykel's healthcare business. He is also a member of the Council of the University of Auckland.

Bachelor of Engineering (Hons)

Roger France

INDEPENDENT DIRECTOR

Board Responsibilities:
Chair Audit & Risk Committee, Member Remuneration & Human Resources Committee, Member Nomination Committee

Term of Office:
Appointed February 2009, last re-elected 22 August 2012

Roger was a partner at PricewaterhouseCoopers for over 15 years. Prior to that he was the Chief Financial Officer of Allied Farmers Co-operative Limited and Freightways Holdings and Managing Partner of Coopers & Lybrand in Auckland. He is a director of Air New Zealand Limited and Orion Health Group Limited, and a trustee of the University of Auckland Foundation and the Dilworth Trust Board.

Bachelor of Commerce, Fellow of Chartered Accountants Australia and New Zealand, Fellow of the Institute of Directors.

Lindsay Gillanders

INDEPENDENT DIRECTOR

Board Responsibilities:
Member Audit & Risk Committee

Term of Office:
Appointed May 1992, last re-elected 20 August 2014

Lindsay has been a long standing director of Fisher & Paykel Healthcare and also holds board positions with a number of private businesses. He worked for the company for a number of years and has an indepth understanding of the Fisher & Paykel Healthcare business. Up to November 2001, Lindsay was responsible for Fisher & Paykel's legal, regulatory, compliance and intellectual property rights, and worked on major commercial agreements including acquisitions and divestments by both the appliances and healthcare businesses.

Bachelor of Law (Hons)

Arthur Morris

INDEPENDENT DIRECTOR

Board Responsibilities:
Chair Quality, Safety & Regulatory Committee

Term of Office:
Appointed February 2008, last re-elected 22 August 2012

Arthur has extensive experience in the healthcare industry and is a fellow of the Royal Australasian College of Pathologists, the Australasian Society for Microbiology and the Infectious Diseases Society of America. Dr Morris trained in Dunedin, Invercargill and Auckland before spending three years at Duke University Medical Centre, North Carolina, USA. He served as the Chief Executive Officer of Diagnostic Medlab Limited from 2005 until 2013.

Bachelor of Science – Microbiology (Hons), Bachelor of Medicine, Doctorate in Medicine

Geraldine McBride

INDEPENDENT DIRECTOR

Board Responsibilities:
Member Remuneration & Human Resources Committee, Member Nomination Committee

Term of Office:
Appointed August 2013, elected 27 August 2013

Geraldine's career spans 28 years in the technology industry gaining a wealth of global experience. She served as a senior executive of SAP AG and Dell Inc with her most recent role being President of SAP North America. She is now co-founder of MyWave, a cloud based consumer to enterprise social commerce business. Geraldine is also a director of Sky Network Television Limited and National Australia Bank Limited.

Bachelor of Science – Zoology

Donal O'Dwyer

INDEPENDENT DIRECTOR

Board Responsibilities:
Member Quality, Safety & Regulatory Committee

Term of Office:
Appointed December 2012, last re-elected 22 August 2013

Donal O'Dwyer became a director in December 2012. Mr O'Dwyer is Chairman of Atcor Medical Pty Limited and a director of Cochlear Limited and Mesoblast Limited. From 1996 to 2003, Mr O'Dwyer worked for Cordis Cardiology, the cardiology division of Johnson & Johnson's Cordis Corporation, initially as its president (Europe) and from 2000 to 2003 as its worldwide president. Prior to joining Cordis, Mr O'Dwyer worked for 12 years with Baxter Healthcare, rising from plant manager in Ireland to president of the Cardiovascular Group, Europe, now Edwards Lifesciences.

Bachelor of Engineering, Master of Business Administration

Our Executive Management Team

Michael Daniell

MANAGING DIRECTOR &
CHIEF EXECUTIVE OFFICER

Mike became Managing Director and Chief Executive Officer in 2001. Mike served as the General Manager of Fisher & Paykel's healthcare business from 1990 until 2001. From 1979 until 1990, Mike held various positions in the business, including product design engineer and technical manager. He has more than 35 years of international healthcare business experience. Mike received his Bachelor of Engineering degree in electrical engineering with honours from the University of Auckland, New Zealand.

Lewis Gradon

SENIOR VICE PRESIDENT
PRODUCTS & TECHNOLOGY

Lewis, was appointed Senior Vice President – Products & Technology in 2001. Lewis previously served as the General Manager – Research and Development of Fisher & Paykel's healthcare business from 1996, and as research and development manager from 1990. He also held various engineering positions within Fisher & Paykel's healthcare business, including product design engineer, from 1985. Lewis has overseen the development of our complete healthcare product range. He received his Bachelor of Science degree in physics from the University of Auckland, New Zealand.

Paul Shearer

SENIOR VICE PRESIDENT
SALES & MARKETING

Paul was appointed Senior Vice President – Sales & Marketing in 2001. Paul previously served as the General Manager – Sales and Marketing of Fisher & Paykel's healthcare business from 1996. From 1990 to 1998, Paul held various positions in the business and established our sales operations in the UK and US. He has held various positions with Computercorp Ltd, a computer systems integrator, and ICL Ltd, a multinational computer systems company. Paul received his Bachelor of Commerce degree in marketing from the University of Canterbury, New Zealand.

Tony Barclay

CHIEF FINANCIAL OFFICER &
COMPANY SECRETARY

Tony was appointed Chief Financial Officer and Company Secretary in 2001. He previously served as the financial controller of Fisher & Paykel's healthcare business since 1996. Tony held various positions with Arnotts Biscuits (NZ) from 1993 to 1996, and with Price Waterhouse in New Zealand and Papua New Guinea from 1987 to 1993. Tony has been a Chartered Accountant in New Zealand since 1990. He received his Bachelor of Commerce degree in accounting and finance from the University of Otago, New Zealand.

Deborah Bailey

VICE PRESIDENT HUMAN RESOURCES, GROUP PRIVACY OFFICER, DIVERSITY AND INCLUSION MANAGER

Deborah was appointed Vice President Human Resources in 2001. Deborah previously served as Group HR Manager since 1996 and held other HR positions since joining Fisher & Paykel in 1994. She is currently a Trustee on the NZ Robotics Charitable Trust (Kiwibots). Prior to joining Fisher & Paykel, Deborah held HR positions with Pall Mall Services Group, a facilities management company in the United Kingdom. She received her Post Graduate Diploma in Human Resource Management from Southbank University London, United Kingdom.

Winston Fong

VICE PRESIDENT INFORMATION & COMMUNICATION TECHNOLOGY

Winston was appointed Vice President – Information & Communication Technology in 2010. Winston previously served as the Group ICT Manager since 2007 and from 1999 has held various IT management, systems engineering and software development roles in the business. He has overseen the implementation, optimisation and operation of the company's information systems. Winston received his Bachelor of Engineering degree with honours in Electronics & Software Engineering from Manukau Institute of Technology, Post Graduate Diploma in Business Administration and Master of Business Administration from the University of Auckland, New Zealand.

Paul Andreassi

VICE PRESIDENT QUALITY & REGULATORY

Paul was appointed Vice President – Quality & Regulatory in 2010. Paul is responsible for Quality Assurance and Regulatory Affairs and joined Fisher & Paykel Healthcare in 2007. Paul has more than 20 years of experience in the medical device industry and previously held roles with Boston Scientific, Medtronic, Philips Medical Systems and Covidien. He holds a Bachelor of Mechanical Engineering Technology degree from Northeastern University and a Masters Degree in Engineering Management from Tufts University, United States.

Making a Positive Contribution

At Fisher & Paykel Healthcare, we are committed to doing the right thing:

For our customers, our people, the environment, the communities we work in and our stakeholders. Our goal is to make a positive contribution beyond the boundaries of our business.

Creating healthier communities
We are focused on improving patients' lives through the pursuit of healthcare innovations that deliver better health outcomes. The needs of our users are at the heart of what we do. Millions of patients every year benefit from the use of our products and this number is growing.

An employer of choice
Our people are our strength. We aim to attract the best talent to our business, by offering the opportunity to work in a rewarding and challenging work environment. We help them realise their potential and ambitions. We value people who are self-motivated and have a desire to make a real contribution. Our success is reflective of the calibre of the 3,150 plus people we have working for our company around the globe.

A responsible neighbour
We care. Not just for our staff, customers and patients, but also for the communities they are part of. We support initiatives that encourage learning and the development of knowledge in science, technology, engineering and healthcare. We offer specialised assistance to selected causes where our products and technologies can provide considerable benefit. We believe our commitment to doing the right thing is what sets us apart.

Reducing our impact
We believe we all must play an active role in looking after the environment. We design our buildings to enhance rather than detract. We have an emissions management reduction plan in place and are actively engaged in energy management monitoring and optimisation projects. At our New Zealand site we recycle approximately 90% of our waste. During the year the company met the requirements of CEMARS® certification, having measured greenhouse gas emissions in accordance with ISO 14064-1:2006. We are committed to managing and reducing our impact in respect of the operational emissions of the organisation.

A valuable investment
We are proud to have more than 20,000 shareholders who support our investment strategy. Transparency and open engagement are important to us. We are committed to acting in the best interests of all our shareholders and we are focused on growing shareholder wealth.

Financial Review

Full Year Results Commentary

Net profit after tax was NZ$113.2 million for the year ended 31 March 2015, an increase of 17% compared to the prior year's NZ$97.1 million. In constant currency, operating profit increased 57%. The increase in the full year net profit after tax reflects strong revenue growth and further gross margin expansion, through a combination of favourable product mix, lower manufacturing costs and logistics improvements.

Operating revenue was a record NZ$672.3 million, 8% above the prior year, or 13% in constant currency. The company's respiratory and acute care (RAC) product group operating revenue and obstructive sleep apnea (OSA) product group revenue each increased by 14% over the prior year, in constant currency.

The Group's financial statements for the year ended 31 March 2015 and the comparative financial information for the year ended 31 March 2014 have been prepared under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS), Interpretations and other applicable FRS.

Second half results

For the second half, net profit after tax grew by 22% to NZ$64.3 million and operating revenue grew 11% to NZ$354.9 million. In constant currency, second half operating revenue increased by 14% and operating profit increased by 52%, primarily as a result of revenue growth, improved gross margins and operating efficiencies.

RAC product group operating revenue grew 16% and OSA product group operating revenue grew 13% in constant currency, compared to the prior year second half.

Strong growth in the RAC product group was primarily driven by increasing acceptance of products which are used in applications outside of intensive care ventilation, including non-invasive ventilation, oxygen therapy and humidity therapy. Consumables revenue from those new applications increased 27% in the second half, in constant currency.

OSA mask constant currency revenue grew 23% in the second half, mainly reflecting growth of the Simplus full-face and Eson nasal masks.

Dividend

The Group's debt to debt plus equity ratio of 10.3% is now within the previously established target range of 5% to 15%. The directors believe that it is now appropriate to increase the final dividend and continue the Dividend Reinvestment Plan (DRP) without discount.

The company's directors have reviewed the company's gearing and dividend policies and have established a revised target debt to debt plus equity ratio in the range of +5% to -5% to support business growth and operation of its foreign currency hedging policy. The company now expects that a dividend pay-out ratio of approximately 70% of net profit after tax will be appropriate to achieve and maintain that target gearing.

The directors have approved an increased final dividend of NZD 8.0 cents per ordinary share carrying a full imputation credit of 3.1111 cents per share. Eligible non-resident shareholders will receive a supplementary dividend of NZD 1.4118 cents per share. The final dividend will be paid on 10 July 2015, with a record date of 19 June 2015 and an ex-dividend date of 17 June 2015 for the NZSX and ASX.

The company offers eligible shareholders the opportunity to receive ordinary shares rather than cash under the DRP. Shareholders who have not yet elected to participate in the DRP will need to provide a Participation Notice to the Company's Share Registrar by 22 June 2015. No discount will apply to the DRP.

The total dividend payment for the year at 13.8 cps equates to 68% of net profit after tax.

Financial Performance

The following table sets out the consolidated statement of financial performance for the years ended 31 March 2014 and 2015 in New Zealand dollars:

	YEAR ENDED 31 MARCH	
	2014 NZ $000	2015 NZ $000
Operating revenue	**623,447**	**672,348**
Cost of sales	258,049	261,369
Gross profit	365,398	410,979
Gross margin	**58.6%**	**61.1%**
Other income	3,700	5,000
Selling, general and administrative expenses	171,453	180,909
Research and development expenses	54,146	64,987
Total operating expenses	225,599	245,896
Operating profit before financing costs	**143,499**	**170,083**
Operating margin	23.0%	25.3%
Net financing expense	6,835	11,317
Profit before tax	**136,664**	**158,766**
Tax expense	39,611	45,593
Profit after tax	**97,053**	**113,173**

Foreign Exchange Effects

The company is exposed to movements in foreign exchange rates, with approximately 48% of operating revenue generated in US dollars, 24% in Euros, 6% in Australian dollars, 5% in Japanese yen and British pounds, 4% in Canadian dollars, 2% in New Zealand dollars and 6% 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 current year the proportion of revenue which was generated in US dollars remained at 48%. The company's cost base is also becoming more diverse, as manufacturing output from Mexico increased to approximately 30% of consumables output for the year.

By historical standards the New Zealand dollar remained elevated against most of the currencies in which the company receives revenue. Foreign exchange hedging gains contributed NZ$27.9 million (2014: NZ$54.6 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 years ended 31 March 2014 and 2015 are set out in the table below:

	AVERAGE DAILY SPOT RATE YEAR ENDED 31 MARCH		AVERAGE EFFECTIVE EXCHANGE RATE YEAR ENDED 31 MARCH	
	2014 NZ $000	2015 NZ $000	2014 NZ $000	2015 NZ $000
USD	0.8208	0.8098	0.6740	0.7896
EUR	0.6123	0.6394	0.4998	0.5259

The effect of balance sheet translations of offshore assets and liabilities for the year ended 31 March 2015 resulted in an increase in operating revenue of NZ$3.5 million (2014: a reduction of NZ$2.2 million) and an increase in operating profit of NZ$4.4 million (2014: a reduction of NZ$2.7 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 comparative 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 2015 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 comparative financial performance without the impacts of spot foreign currency fluctuations and hedging results and has been prepared on a consistent basis each year.

The company's constant currency income statement framework can be found on the company's website at www.fphcare.com/CCIS.

Constant Currency Income Statements	YEAR ENDED 31 MARCH 2013 NZ $000	YEAR ENDED 31 MARCH 2014 NZ $000	VARIATION 2013 TO 2014 NZ $000	YEAR ENDED 31 MARCH 2015 NZ $000	VARIATION 2014 TO 2015 NZ $000
Operating revenue	**487,568**	**552,954**	**+13**	**625,650**	**+13**
Cost of sales	243,026	253,838	+4	259,520	+2
Gross profit	244,542	299,116	+22	366,130	+22
Gross Margin	**50.2%**	**54.1%**	**+393bps**	**58.5%**	**+443bps**
Other income	2,400	3,700	+54	5,000	+35
Selling, general and administrative expenses	146,013	166,850	+14	177,961	+7
Research & development expenses	45,720	54,146	+18	64,987	+20
Total operating expenses	**191,733**	**220,996**	**+15**	**242,948**	**+10**
Operating profit	**55,209**	**81,820**	**+48**	**128,182**	**+57**
Operating margin	**11.3%**	**14.8%**	**+348bps**	**20.5%**	**+569bps**
Financing expenses (net)	4,564	7,617	+67	9,118	+20
Profit before tax	**50,645**	**74,203**	**+47**	**119,064**	**+60**

The significant exchange rates used in the constant currency analysis, being the budget exchange rates for the year ended 31 March 2015, are USD 0.85, EUR 0.615, AUD 0.945, GBP 0.50, CAD 0.925, JPY 88 and MXN 11.0.

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

	YEAR ENDED 31 MARCH		
Reconciliation of Constant Currency to Actual Income Statements	2013 NZ $000	2014 NZ $000	2015 NZ $000
Profit before tax (constant currency)	**50,645**	**74,203**	**119,064**
Spot exchange rate effect	11,671	9,711	9,552
Foreign exchange hedging result	48,534	54,584	27,893
Balance sheet revaluation	(1,464)	(1,834)	2,257
Profit before tax (as reported)	**109,386**	**136,664**	**158,766**

The reconciliation set out on the previous page illustrates that, when comparing the NZ dollar profit before tax shown in the actual income statement for the year to 31 March 2015 with the prior year:

- the movement in average daily spot exchange rates had an unfavourable impact of NZ$0.2m; and
- the benefit from the company's foreign exchange hedging activities was lower by NZ$26.7m.
- Overall, the net adverse impact of movements in exchange rates and the hedging programme was NZ$22.8m, including the impact of balance sheet revaluations.

Operating revenue

Operating revenue increased by 8% to NZ$672.3 million for the year ended 31 March 2015 from NZ$623.4 million for the year ended 31 March 2014, principally due to increased sales of RAC new applications consumables and OSA masks.

The following table sets out operating revenue by product group for the years ended 31 March 2014 and 2015:

	YEAR ENDED 31 MARCH	
	2014 NZ $000	2015 NZ $000
RAC products	336,851	368,162
OSA products	270,048	291,126
Core products sub-total	606,899	659,288
Distributed and other products	16,548	13,060
Total	**623,447**	**672,348**

Underlying growth in demand for respiratory humidification systems was strong throughout the year. This resulted in total operating revenue of NZ$368.2 million for the RAC product group, growth of 9% in NZ dollars, and 14% in constant currency, compared with last year.

Growth in demand for products used in the care of patients beyond the company's traditional invasive ventilation market continued. Revenue from devices used in noninvasive ventilation, oxygen therapy, humidity therapy and surgery grew 26% for the year ended 31 March 2015 and in total represented 47% of respiratory and acute care consumables revenue.

OSA product group operating revenue increased 8% to NZ$291.1 million, and 14% in constant currency for the year.

Constant currency mask revenue grew 22% for the year, as the Simplus full-face and Eson nasal masks continued to gain share.

Sales of respiratory and acute care products represented 54% and 55% of operating revenue for the years ended 31 March 2014 and 2015 respectively. Sales of OSA products represented 43% of operating revenue for the years ended 31 March 2014 and 2015. Sales of consumable and accessory products for core products accounted for approximately 79% and 81% of operating revenue for the years ended 31 March 2014 and 2015 respectively.

Regional revenue

The following table sets out operating revenue for each of our regional markets for the year ended 31 March 2014 and 2015:

	YEAR ENDED 31 MARCH	
	2014 NZ $000	2015 NZ $000
North America	261,620	290,692
Europe	211,861	223,403
Asia Pacific	118,869	127,240
Other	31,097	31,013
Total	**623,447**	**672,348**

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

Gross Margin

Gross margin increased by 443bps to be 58.5% in constant currency terms compared to 54.1% in the prior year. The key drivers of this increase included positive RAC and OSA product mixes, manufacturing improvements both in New Zealand and Mexico and logistics improvements.

Expenses

Total expenses increased by 9% to NZ$245.9 million or 10% in constant currency, which was significantly below constant currency revenue growth of 13%.

SG&A constant currency expense growth was 7% and R&D expense increased by 20% as the company continued to invest in a significant number of new product platforms.

Operating profit

Operating profit increased by 19% to NZ$170.1 million for the year ended 31 March 2015 from NZ$143.5 million for the year ended 31 March 2014.

In constant currency, operating profit increased by 57%.

Balance Sheet

Gearing[1] at 31 March 2015 was 10.3%, compared to 21.0% at 31 March 2014. The decrease in gearing relates to the reduction in debt (net) as a result of profit growth, aided by substantial gross margin improvements, and increased shareholders' funds, as planned.

Funding

The company had total available committed debt funding of $195 million as at 31 March 2015, of which approximately $143 million was undrawn, and cash on hand of $14 million. Bank debt facilities provide all available funding given the modest level of requirements. Over the next 12 months a $40 million facility and a $20 million facility will mature. As at 31 March 2015, the weighted average maturity of borrowing facilities is 2.1 years.

Debt maturity

The average maturity of the debt of $51 million was 1.5 years and the currency split was 28% New Zealand dollars, 39% US dollars, 22% Euros, 7% Australian dollars and 4% Canadian dollars.

Interest rates

As at 31 March 2015, NZ dollar interest rate swaps with a face value of $91 million were de-designated as effective hedges due to the low likelihood that there will be an equivalent amount of NZ dollar debt on an ongoing basis. An amount of $3.5 million ($2.6 million after tax) was included in financing expense in relation to these de-designated hedges. At 31 March 2015 there are no hedge effective NZ dollar interest rate swaps.

Exclusive of ineffective NZ dollar interest rates swaps, approximately 59% of all borrowings were at fixed interest rates with an average duration of 4.6 years and an average rate of 3.4%. Inclusive of floating rate borrowings, the average interest rate on the debt is currently 3.7%. All interest rates are inclusive of margins but not fees.

Interest coverage for the period was 15 times and the Group remains in a sound financial position.

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

Cashflow

Cashflow from operations was $146.8 million compared with $99.5 million for the year ended 31 March 2014. The increase was mainly related to improved profit performance through growth in revenue and significant improvement in gross margin and inventory cost improvements favourably impacting working capital.

Capital expenditure for the year was $53.6 million compared with $31.9 million in the prior year. The capital expenditure related predominantly to new product tooling and manufacturing equipment for increased capacity. The increase in capital expenditure for intangibles mainly related to implementation costs for our ERP project.

Financial ratios

	YEAR ENDED 31 MARCH	
Unaudited	2014	2015
Pre-tax return on average shareholders' equity	35.1%	36.2%
Earnings per share (cents)	17.7	20.4
Dividends (interim plus approved final) per share (cents)	12.4	13.8
Gearing	21.0%	10.3%
Interest cover (times)	21.0	15.0

Foreign Exchange Hedging Position

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

	YEAR TO 31 MARCH		
Unaudited	2016	2017	2018
USD % cover of expected exposure	90%	46%	3%
USD average rate of cover	0.74	0.72	0.68
EUR % cover of expected exposure	92%	50%	0%
EUR average rate of cover	0.58	0.58	-

Outlook for FY2016

We continue to focus on our strategy of continually improving our products, serving more patient groups, extending our range of products and growing our international presence. We believe that this strategy will continue to deliver robust revenue growth in the current year.

At current exchange rates we expect full year operating revenue to be approximately NZ$750 million and net profit after tax to be approximately NZ$125 million to NZ$130 million.

Tony Carter, Chairman

Michael Daniell, Managing Director and Chief Executive Officer

Dated at Auckland, 28 May 2015

Financial Information

Five Year Financial Summary (NZ$)

FOR THE YEAR ENDED 31 MARCH

	2011 NZ $000	2012 NZ $000	2013 NZ $000	2014 NZ $000	2015 NZ $000
FINANCIAL PERFORMANCE					(except as otherwise stated)
Sales revenue	467,680	466,726	507,250	568,602	**644,013**
Foreign exchange gain on hedged sales	38,394	49,962	49,000	54,845	**28,335**
Total operating revenue	**506,074**	**516,688**	**556,250**	**623,447**	**672,348**
Cost of sales	(228,372)	(241,651)	(248,406)	(258,049)	**(261,369)**
Gross profit	277,702	275,037	307,844	365,398	**410,979**
Gross margin	54.9%	53.2%	55.3%	58.6%	**61.1%**
Other income	1,200	2,400	2,400	3,700	**5,000**
Selling, general and administrative expenses	(141,882)	(142,644)	(151,791)	(171,453)	**(180,909)**
Research and development expenses	(39,277)	(41,988)	(45,720)	(54,146)	**(64,987)**
Total operating expenses	**(181,159)**	**(184,632)**	**(54,146)**	**(225,599)**	**(245,896)**
Operating profit before financing costs	97,743	92,805	112,733	143,499	**170,083**
Operating margin	19.3%	18.0%	20.3%	23.0%	**25.3%**
Net financing (expense)	(4,929)	(488)	(3,347)	(6,835)	**(11,317)**
Profit before tax	92,814	92,317	109,386	136,664	**158,766**
Tax expense	(28,868)	(28,207)	(32,333)	(39,611)	**(45,593)**
Profit after tax*	**63,946**	**64,110**	**77,053**	**97,053**	**113,173**
Revenue by region:					
North America	233,706	230,563	241,123	261,620	**290,692**
Europe	159,438	170,355	181,422	211,861	**223,403**
Asia Pacific	90,115	92,981	106,637	118,869	**127,240**
Other	22,815	22,789	27,068	31,097	**31,013**
Total	**506,074**	**516,688**	**556,250**	**623,447**	**672,348**
Revenue by product group:					
Respiratory & acute care	254,181	271,036	301,503	336,851	**368,162**
Obstructive sleep apnea	235,776	228,899	235,778	270,048	**291,126**
Core products subtotal	489,957	499,935	537,281	606,899	**659,288**
Distributed and other	16,117	16,753	18,969	16,548	**13,060**
Total	**506,074**	**516,688**	**556,250**	**623,447**	**672,348**
FINANCIAL POSITION					
Tangible assets	422,064	481,759	528,253	551,551	**589,851**
Intangible assets	95,544	90,295	90,344	78,774	**79,965**
Total assets	517,608	572,054	618,597	630,325	**669,816**
Liabilities	(204,317)	(223,902)	(246,366)	(224,203)	**(198,626)**
Shareholders' equity	**313,291**	**348,152**	**372,231**	**406,122**	**471,190**
Net tangible asset backing (cents per share)	62.7	67.2	69.1	73.0	**79.7**
Pre-tax return on average total assets percentage	18.7%	16.9%	18.4%	21.9%	**24.4%**
Pre-tax return on average equity percentage	30.6%	27.9%	30.4%	35.1%	**36.2%**
CASH FLOWS					
Net cash flow from operating activities	66,144	88,486	81,531	99,504	**146,832**
Net cash flow (used in) investing activities	(43,237)	(67,475)	(61,976)	(31,860)	**(53,575)**
Net cash flow (used in) financing activities	(32,576)	(19,155)	(21,547)	(62,144)	**(90,999)**
SHARES OUTSTANDING					
Weighted basic average shares outstanding	517,154,550	525,706,219	537,560,800	547,094,526	**555,542,677**
Weighted diluted average shares outstanding	536,265,092	546,509,548	559,097,010	565,973,595	**569,548,997**
Basic shares outstanding at end of the year	520,453,173	530,053,399	542,612,236	551,110,270	**557,940,257**

*Prior to one-off non-cash deferred tax charges of $11.5 m (2011)

Five Year Financial Summary (NZ$)

FOR THE YEAR ENDED 31 MARCH

	2011 NZ $000	2012 NZ $000	2013 NZ $000	2014 NZ $000	2015 NZ $000
DIVIDENDS AND EARNINGS PER SHARE (CENTS PER SHARE)					(except as otherwise stated)
Dividends paid:					
Final	7.0	7.0	7.0	7.0	**8.0**
Interim	5.4	5.4	5.4	5.4	**5.8**
Total ordinary dividends	12.4	12.4	12.4	12.4	**13.8**
Basic earnings per share	10.2	12.2	14.3	17.7	**20.4**
Diluted earnings per share	9.8	11.7	13.8	17.1	**19.9**
PATENTS					
Number of United States patents	92	98	107	111	**118**
Number of United States patent applications (includes PCTs*)	100	107	159	220	**287**
Number of non-United States patents	366	413	442	459	**496**
Number of non-United States patent applications (excludes PCTs*)	196	189	260	306	**410**
RESEARCH AND DEVELOPMENT					
Research and development expenditure	39,277	41,988	45,720	54,146	**64,987**
Percentage of operating revenue	7.8%	8.1%	8.2%	8.7%	**9.7%**
CAPITAL EXPENDITURE					
Operational	25,290	16,761	-6,516	23,961	**38,071**
Land and buildings	15,491	48,150	33,821	3,344	**1,200**
Total	40,781	64,911	27,305	27,305	**39,271**
Capital expenditure : depreciation ratio	2.0	3.2	2.5	1.0	**1.4**
NUMBER OF EMPLOYEES					
By function:					
Research and development	322	325	359	403	**433**
Manufacturing and operations	1,426	1,544	1,641	1,743	**1,818**
Sales, marketing and distribution	595	616	645	727	**738**
Management and administration	105	107	113	139	**162**
Total	2,448	2,592	2,758	3,012	**3,151**
By region:					
New Zealand	1,666	1,718	1,753	1,904	**1,943**
North America	441	519	627	681	**751**
Europe	197	202	205	217	**221**
Rest of World	144	153	173	210	**236**
Total	2,448	2,592	2,758	3,012	**3,151**
AVERAGE DAILY SPOT EXCHANGE RATES (NZ$1 =)**					
USD	0.7330	0.8072	0.8142	0.8208	**0.8098**
AVERAGE EFFECTIVE EXCHANGE RATES (NZ$1 =)***					
USD	0.6192	0.6641	0.6801	0.6740	**0.7896**
EUR	0.4808	0.4823	0.5077	0.4998	**0.5259**
GBP	0.4668	0.4787	0.4975	0.5153	**0.4953**
AUD	0.7960	0.7851	0.7855	0.8205	**0.8583**
CAD	0.6954	0.7206	0.7325	0.7637	**0.8130**
JPY	59.0184	59.3760	58.3516	64.9652	**68.2676**
MXN	9.3216	9.6811	10.1535	10.1436	**10.6783**

* PCTs (Patent Cooperation Treaty) are unified patent applications across a number of jurisdictions

** Exchange rates used for the translation of NZD financial results to USD.

*** Actual exchange rates achieved in delivering or purchasing net foreign currency in relation to the Group's exposures. The average rate includes hedged, spot and close-out transactions in each year.

Five Year Financial Summary (US$)

FOR THE YEAR ENDED 31 MARCH

	2011 US $000	2012 US $000	2013 US $000	2014 US $000	2015 US $000
FINANCIAL PERFORMANCE					(except as otherwise stated)
Sales revenue	342,809	376,741	413,003	466,709	**521,522**
Foreign exchange gain on hedged sales	28,143	40,329	39,896	45,017	**22,946**
Total operating revenue	**370,952**	**417,070**	**452,899**	**511,726**	**544,468**
Cost of sales	(167,397)	(195,061)	(202,252)	(211,807)	**(211,657)**
Gross profit	203,555	222,009	250,647	299,919	**332,811**
Gross margin	54.9%	53.2%	55.3%	58.6%	**61.1%**
Other income	880	1,937	1,954	3,037	**4,049**
Selling, general and administrative expenses	(104,000)	(115,142)	(123,588)	(140,729)	**(146,500)**
Research and development expenses	(28,790)	(33,893)	(37,225)	(44,443)	**(52,626)**
Total operating expenses	**(132,790)**	**(149,035)**	**(160,813)**	**(185,172)**	**(199,126)**
Operating profit before financing costs	71,645	74,911	91,788	117,784	**137,734**
Operating margin	19.3%	18.0%	20.3%	23.0%	**25.3%**
Net financing (expense)	(3,613)	(394)	(2,725)	(5,610)	**(9,165)**
Profit before tax	68,032	74,517	89,063	112,174	**128,569**
Tax expense	(21,160)	(22,769)	(26,326)	(32,513)	**(36,921)**
Profit after tax *	**46,872**	**51,748**	**62,737**	**79,661**	**91,648**
Revenue by region:					
North America	171,275	186,137	196,323	214,665	**235,402**
Europe	116,958	137,538	147,718	174,001	**180,914**
Asia Pacific	66,076	75,031	86,824	97,563	**103,038**
Other	16,643	18,364	22,034	25,497	**25,113**
Total	**370,952**	**417,070**	**452,899**	**511,726**	**544,467**
Revenue by product group:					
Respiratory & acute care	186,245	218,805	245,544	276,529	**298,111**
Obstructive sleep apnea	172,886	184,748	191,935	221,614	**235,775**
Core products subtotal	359,131	403,553	437,479	498,143	**533,886**
Distributed and other	11,821	13,517	15,420	13,583	**10,581**
Total	**370,952**	**417,070**	**452,899**	**511,726**	**544,467**
FINANCIAL POSITION					
Tangible assets	321,402	394,416	432,481	477,809	**440,619**
Intangible assets	72,757	73,925	73,965	68,242	**59,734**
Total assets	394,159	468,341	506,446	546,051	**500,353**
Liabilities	(155,587)	(183,309)	(201,700)	(194,227)	**(148,374)**
Shareholders' equity	**238,572**	**285,032**	**304,746**	**351,824**	**351,979**
Net tangible asset backing (cents per share)	47.7	55.0	56.6	63.2	**59.5**
Pre-tax return on average total assets percentage	18.6%	17.3%	18.3%	21.3%	**24.6%**
Pre-tax return on average equity percentage	30.4%	28.5%	30.2%	34.2%	**36.5%**
CASH FLOWS					
Net cash flow from operating activities	48,484	71,426	66,383	81,673	**118,905**
Net cash flow (used in) investing activities	(31,693)	(54,466)	(50,461)	(26,151)	**(43,385)**
Net cash flow (used in) financing activities	(23,878)	(15,462)	(17,544)	(51,008)	**(73,691)**
SHARES OUTSTANDING					
Weighted basic average shares outstanding	517,154,550	525,706,219	537,560,800	547,094,526	**555,542,677**
Weighted diluted average shares outstanding	536,265,092	546,509,548	559,097,010	557,553,102	**569,548,997**
Basic shares outstanding at end of the year	520,453,173	530,053,399	542,612,236	551,110,270	**557,940,257**

*Prior to one-off non-cash deferred tax charges of $11.5 m (2011)

Five Year Financial Summary (US$)

FOR THE YEAR ENDED 31 MARCH

	2011 US $000	2012 US $000	2013 US $000	2014 US $000	2015 US $000
DIVIDENDS AND EARNINGS PER SHARE (CENTS PER SHARE)					(except as otherwise stated)
Dividends paid:					
Final	5.1	5.7	5.7	5.7	**6.5**
Interim	4.0	4.4	4.4	4.4	**4.7**
Total ordinary dividends	9.1	10.1	10.1	10.1	**11.2**
Basic earnings per share	7.4	9.8	11.6	14.6	**16.5**
Diluted earnings per share	7.2	9.4	11.2	14.1	**16.1**
PATENTS					
Number of United States patents	92	98	107	111	**118**
Number of United States patent applications (includes PCTs*)	100	107	159	220	**287**
Number of non-United States patents	366	413	442	459	**496**
Number of non-United States patent applications (excludes PCTs*)	196	189	260	306	**410**
RESEARCH AND DEVELOPMENT					
Research and development expenditure	28,790	33,893	37,225	44,443	**52,626**
Percentage of operating revenue	7.8%	8.1%	8.2%	8.7%	**9.7%**
CAPITAL EXPENDITURE					
Operational	18,538	13,529	20,131	19,667	**30,830**
Land and buildings	11,355	38,867	27,537	2,745	**972**
Total	29,893	52,396	47,668	22,412	**31,802**
Capital expenditure : depreciation ratio	2.0	3.2	2.5	1.0	**1.4**
NUMBER OF EMPLOYEES					
By function:					
Research and development	322	325	359	403	**433**
Manufacturing and operations	1,426	1,544	1,641	1,743	**1,818**
Sales, marketing and distribution	595	616	645	727	**738**
Management and administration	105	107	113	139	**162**
Total	2,448	2,592	2,758	3,012	**3,151**
By region:					
New Zealand	1,666	1,718	1,753	1,904	**1,943**
North America	441	519	627	681	**751**
Europe	197	202	205	217	**221**
Rest of World	144	153	173	210	**236**
Total	2,448	2,592	2,758	3,012	**3,151**
AVERAGE DAILY SPOT EXCHANGE RATES (US$1 =)**					
NZD	1.3643	1.2389	1.2282	1.2183	**1.2349**
AVERAGE EFFECTIVE EXCHANGE RATES (US$1 =)***					
NZD	1.6150	1.5058	1.4704	1.4837	**1.2665**

* PCTs (Patent Cooperation Treaty) are unified patent applications across a number of jurisdictions

** Exchange rates used for the translation of NZD financial results to USD.

*** Actual exchange rates achieved in delivering net USD in relation to the Group's exposures. The average rate includes hedged, spot and close-out transactions in each year.

Consolidated Income Statement

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2014 NZ $000	2015 NZ $000
Operating revenue	4	**623,447**	**672,348**
Cost of sales		(258,049)	(261,369)
Gross profit		365,398	410,979
Other income	5	3,700	5,000
Selling, general and administrative expenses		(171,453)	(180,909)
Research and development expenses		(54,146)	(64,987)
Total operating expenses		**(225,599)**	**(245,896)**
Operating profit before financing costs		**143,499**	**170,083**
Financing income		57	144
Financing expense		(7,780)	(9,329)
Exchange gain (loss) on foreign currency borrowings		888	(2,132)
Net financing (expense)		**(6,835)**	**(11,317)**
Profit before tax	5, 12	**136,664**	**158,766**
Tax expense	12	(39,611)	(45,593)
Profit after tax		**97,053**	**113,173**
Basic earnings per share	18	17.7 cps	20.4 cps
Diluted earnings per share	18	17.1 cps	19.9 cps
Weighted average basic ordinary shares	18	547,094,526	555,542,677
Weighted average diluted ordinary shares	18	565,973,595	569,548,997

The accompanying Notes form an integral part of the Financial Statements.

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2014 NZ $000	2015 NZ $000
Profit after tax		**97,053**	**113,173**
Other comprehensive income			
Items that may subsequently be reclassified to profit or loss			
Cash flow hedge reserve - unrealised			
Changes in fair value	17	19,312	12,211
Transfers to profit before tax	17	(32,965)	(29,746)
Tax on changes in fair value and transfers to profit before tax	12, 17	3,823	4,910
Cash flow hedge reserve - realised			
Transfers to profit before tax	6, 17	(21,291)	-
Tax on transfers to profit before tax	12, 17	5,987	-
Items that will not be reclassified to profit or loss			
Revaluation of land	10	-	8,359
Other comprehensive income for the year, net of tax		**(25,134)**	**(4,266)**
Total comprehensive income for the year		**71,919**	**108,907**

The accompanying Notes form an integral part of the Financial Statements.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	SHARE CAPITAL NZ $000	TREASURY SHARES NZ $000	RETAINED EARNINGS NZ $000	ASSET VALUATION RESERVE NZ $000	CASH FLOW HEDGE RESERVE - UNREALISED NZ $000	CASH FLOW HEDGE RESERVE - REALISED NZ $000	EMPLOYEE SHARE ENTITLEMENT RESERVE NZ $000	EMPLOYEE SHARE OPTION RESERVE NZ $000	TOTAL EQUITY NZ $000
Balance at 31 March 2013		**92,815**	**(1,535)**	**194,918**	**24,100**	**44,089**	**15,304**	**203**	**2,337**	**372,231**
Total comprehensive income		**-**	**-**	**97,053**	**-**	**(9,830)**	**(15,304)**	**-**	**-**	**71,919**
Dividends paid	17	-	-	(67,518)	-	-	-	-	-	(67,518)
Issue of share capital under dividend reinvestment plan	16	26,783	-	-	-	-	-	-	-	26,783
Issue of share capital	16	1,046	-	-	-	-	-	-	-	1,046
Movement in employee share entitlement reserve	17	-	-	-	-	-	-	(73)	-	(73)
Movement in employee share option reserve	17	-	-	-	-	-	-	-	412	412
Movement in treasury shares	17	-	(24)	-	-	-	-	-	-	(24)
Increase in share capital under share option schemes for employee services		987	-	-	-	-	-	-	-	987
Employee share scheme shares issued for employee services	16	301	-	-	-	-	-	-	-	301
Unclaimed dividends	17	-	-	58	-	-	-	-	-	58
Balance at 31 March 2014		**121,932**	**(1,559)**	**224,511**	**24,100**	**34,259**	**-**	**130**	**2,749**	**406,122**
Total comprehensive income		**-**	**-**	**113,173**	**8,359**	**(12,625)**	**-**	**-**	**-**	**108,907**
Dividends paid	17	-	-	(70,913)	-	-	-	-	-	(70,913)
Issue of share capital under dividend reinvestment plan	16	23,012	-	-	-	-	-	-	-	23,012
Issue of share capital	16	1,580	-	-	-	-	-	-	-	1,580
Movement in employee share entitlement reserve	17	-	-	-	-	-	-	145	-	145
Movement in employee share option reserve	17	-	-	-	-	-	-	-	1,431	1,431
Movement in treasury shares	17	-	16	-	-	-	-	-	-	16
Increase in share capital under share option schemes for employee services	16	878	-	-	-	-	-	-	-	878
Employee share scheme shares issued for employee services	16	12	-	-	-	-	-	-	-	12
Unclaimed dividends	17	-	-	-	-	-	-	-	-	-
Balance at 31 March 2015		**147,414**	**(1,543)**	**266,771**	**32,459**	**21,634**	**-**	**275**	**4,180**	**471,190**

The accompanying Notes form an integral part of the Financial Statements.

Consolidated Balance Sheet
AS AT 31 MARCH 2015

	Notes	2014 NZ $000	2015 NZ $000
ASSETS			
Current assets			
Cash and cash equivalents	7	10,438	13,621
Trade and other receivables	8	93,363	107,416
Inventories	9	94,475	96,143
Derivative financial instruments	6	35,332	24,240
Tax receivable	12	1,350	1,871
Total current assets		**234,958**	**243,291**
Non-current assets			
Property, plant and equipment	10	349,760	367,428
Intangible assets	11	10,405	22,430
Other receivables	8	2,165	3,372
Derivative financial instruments	6	18,366	13,364
Deferred tax asset	12	14,671	19,931
Total assets		**630,325**	**669,816**
LIABILITIES			
Current liabilities			
Interest-bearing liabilities	13	45,786	14,154
Trade and other payables	14	71,261	81,075
Provisions	15	3,388	2,614
Tax payable	12	6,740	14,198
Derivative financial instruments	6	1,615	5,073
Total current liabilities		**128,790**	**117,114**
Non-current liabilities			
Interest-bearing liabilities	13	63,570	51,342
Provisions	15	2,483	1,824
Other payables	14	4,899	6,349
Derivative financial instruments	6	3,428	6,324
Deferred tax liability	12	21,033	15,673
Total liabilities		**224,203**	**198,626**
EQUITY			
Share capital	16	121,932	147,414
Treasury shares	16,17	(1,559)	(1,543)
Retained earnings	17	224,511	266,771
Asset revaluation reserve	17	24,100	32,459
Cash flow hedge reserve - unrealised	17	34,259	21,634
Cash flow hedge reserve - realised	17	-	-
Employee share entitlement reserve	17	130	275
Employee share option reserve	17	2,749	4,180
Total equity		**406,122**	**471,190**
Total liabilities and equity		**630,325**	**669,816**

The accompanying Notes form an integral part of the Financial Statements.

Tony Carter, Chairman

Michael Daniell, Managing Director and Chief Executive Officer

Dated at Auckland, 28 May 2015

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2015

	Notes	2014 NZ $000	2015 NZ $000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		591,674	659,513
Grants received		3,105	4,750
Interest received		21	90
Payments to suppliers and employees		(455,114)	(467,300)
Tax paid		(32,531)	(44,274)
Interest paid		(7,651)	(5,947)
Net cash flows from operations		**99,504**	**146,832**
CASH FLOWS (USED IN) INVESTING ACTIVITIES			
Sales of property, plant and equipment		19	10
Purchases of property, plant and equipment		(27,305)	(39,271)
Purchases of intangible assets		(4,574)	(14,314)
Net cash flows (used in) investing activities		**(31,860)**	**(53,575)**
CASH FLOWS (USED IN) FINANCING ACTIVITIES			
Employee share purchase schemes		299	529
Issue of share capital		355	1,580
New borrowings		8,754	5,000
Repayment of borrowings		(30,816)	(50,207)
Dividends paid		(40,736)	(47,901)
Net cash flows (used in) financing activities		**(62,144)**	**(90,999)**
Net increase in cash		5,500	2,258
Opening cash		(9,427)	(3,761)
Effect of foreign exchange rates		166	970
Closing cash		**(3,761)**	**(533)**
RECONCILIATION OF CLOSING CASH			
Cash and cash equivalents	7	10,438	13,621
Bank overdrafts	13	(14,199)	(14,154)
Closing cash		**(3,761)**	**(533)**

The accompanying Notes form an integral part of the Financial Statements.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2015

	2014 NZ $000	2015 NZ $000
CASH FLOW RECONCILIATION		
Profit after tax	**97,053**	**113,173**
Add (deduct) non-cash items:		
Depreciation and writedown of property, plant and equipment to recoverable amount	26,744	27,943
Cash flow hedge gain from monetised instruments, net of tax	(15,304)	-
Amortisation of intangibles	3,149	3,705
Accrued financing income / expense	(125)	(259)
Movement in provisions	510	(1,433)
Movement in deferred tax asset / liability	(1,295)	(5,710)
Movement in foreign currency option contracts time value	96	1,762
Movement in working capital:		
Trade and other receivables	(12,240)	(15,260)
Inventory	(5,364)	(1,668)
Trade and other payables	4,811	14,070
Provision for taxation	2,302	6,937
Foreign currency translation	(833)	3,572
Net cash flows from operations	**99,504**	**146,832**

Contents Notes to the Financial Statements

Notes to the Financial Statements

For the year ended 31 March 2015

1. REPORTING ENTITY

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 financial statements were approved for issue by the Board of Directors on 28 May 2015.

2. BASIS OF PREPARATION

Statement of compliance and measurement base

The Company is registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The Company is also listed on the New Zealand Stock Exchange (NZX) and the Australian Stock Exchange (ASX). The consolidated financial statements have been prepared in accordance with the requirements of Part 7 of the Financial Markets Conduct Act 2013. In accordance with the Financial Markets Conduct Act 2013, separate financial statements for Fisher & Paykel Healthcare Corporation Limited are no longer required to be prepared and presented, because Group financial statements are prepared and presented for Fisher & Paykel Healthcare Corporation Limited and its subsidiaries. The Group is a for-profit entity for the purposes of complying with NZ GAAP. These consolidated financial statements for the year ended 31 March 2015 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The consolidated financial statements also comply with International Financial Reporting Standards (IFRS).

Historical cost convention

These consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities (including derivative instruments) at fair value through profit or loss and/or other comprehensive income, and the revaluation of land.

Functional and presentation currency

Items included in the financial statements of each of the subsidiaries are measured using the currency of the primary economic environment in which the Group operates ("the functional currency"). The Group operates as one integrated business. The financial statements are presented in New Zealand dollars, which is the Group's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using either the exchange rates prevailing at the dates of the transactions or at rates that approximate the actual exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income Statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges.

Critical accounting estimates and judgements

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The Directors regularly review all accounting policies and areas of judgement in presenting the financial statements.

Judgements

Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are some transactions for which the ultimate tax determination is uncertain during the ordinary course of business. Refer further detail in Note 12.

Estimates

Fair value of derivative financial instruments

The Group holds derivatives for significant amounts which are hedge accounted. The estimation of fair values is determined in accordance with the accounting policy stated in Note 6, and discussed in Note 24 a. (iv).

Revaluation of land

The Group holds land which is measured at fair value as disclosed in Note 10 and in accordance with the accounting policy stated there.

3. PRINCIPLES OF CONSOLIDATION

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Group as at balance date and the results of all subsidiaries for the year then ended. Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are deconsolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary is an aggregate of the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration agreement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired the difference is recognised directly in the Income Statement.

Intercompany transactions and balances and unrealised gains on transactions between subsidiary companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

4. OPERATING REVENUE

Revenue includes the fair value of the consideration received or receivable for the sale of products, net of sales taxes and other indirect taxes, rebates and discounts and after eliminating sales within the Group. Revenue is recognised when the amount of revenue can be reliably measured, when it is probable that future economic benefits will accrue to the Group, and when the following criteria are met:

Sale of products

Sales of products are recognised in accordance with the terms of sale when title has been transferred and the benefits of ownership and risk pass to the customer.

	2014 NZ $000	2015 NZ $000
Sales revenue	568,602	644,013
Foreign exchange gain on hedged sales	54,845	28,335
Total operating revenue	**623,447**	**672,348**

5. OPERATING PROFIT

	2014 NZ $000	2015 NZ $000
Profit before tax	**136,664**	**158,766**
After charging the following specific expenses:		
Auditors' fees:		
Statutory audit	921	837
Other services:		
Auditors' half year review	49	55
Accounting standards advice	10	48
Remuneration committee advisory services	2	25
ERP upgrade project advisory services	77	16
Risk management advisory services	75	266
Treasury risk management advice	38	45
Tax compliance fees	70	77
	321	532
Total auditors' fees	1,242	1,369
Donations	5	19
Depreciation:		
Buildings - structure	1,871	1,777
Buildings - fit-out and other	4,801	5,057
Leasehold improvements	171	254
Plant and equipment	19,901	20,855
Total depreciation	26,744	27,943
Inventory written off (net)	(383)	1,262
Rental and lease expense	8,042	8,049
Amortisation:		
Patents and trademarks	1,371	1,572
Software	1,518	1,820
Other	260	313
Total amortisation	3,149	3,705
Directors' fees paid	779	765
Directors' retirement fees paid	279	-
Movement in accrual for directors' retirement fees	(273)	3
After crediting the following specific income:		
Technology development grant	1,200	-
R&D growth grant	2,500	5,000

Government grants

Government grants are recognised at fair value in the Income Statement over the same periods as the costs for which the grants are intended to compensate. Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received.

Technology development grant

This government grant reimbursed 20 per cent of eligible expenditure on the Group's R&D programme, up to a maximum of $2.4 million a year (excluding GST). The Group qualified for this grant as its average annual R&D intensity (eligible R&D expenditure divided by revenue) was at least five per cent and average annual revenues exceeded $3 million a year during the period covered by the grant. The grant was awarded for the three years ended 30 September 2013.

R&D growth grant

This government grant reimburses 20 per cent of eligible expenditure on the Group's R&D programme, up to a maximum of $5.0 million a year (excluding GST). The grant has been awarded for the three years ending 30 September 2016.

6. DERIVATIVE FINANCIAL INSTRUMENTS

The Group generally applies hedge accounting to derivative financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and are subsequently re-measured to their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged.

The Group designates certain derivatives as either (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges) or (2) hedges of highly probable forecast transactions (cash flow hedges). At the inception of the transaction the Group documents the relationship between hedging instruments and hedged items, as well as the risk management objective and strategy for undertaking various hedge transactions. The Group also documents their assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair values or cash flows of hedged items. Derivatives that are designated as hedges will be classified as non-current if they have maturities greater than 12 months after the balance sheet date.

Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Income Statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. Any ineffective portion is recognised immediately in the Income Statement.

Amounts accumulated via other comprehensive income are recycled in the Income Statement in the period when the hedged item will affect profit or loss (for instance when the forecast sale that is hedged takes place). However when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously deferred via other comprehensive income are transferred from equity and included in the measurement of the initial cost or carrying amount of the asset or liability.

When a hedging instrument expires or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the Income Statement. In the case of a hedging instrument sold, any cumulative gain or loss is recorded in the Cash Flow Hedge Reserve – Realised. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in other comprehensive income is immediately transferred to the Income Statement.

6. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Derivatives that do not qualify for hedge accounting

Certain derivative instruments may not qualify for hedge accounting and hedge accounting may not be adopted for certain derivative instruments. Changes in the fair value of these derivative instruments are recognised immediately in the Income Statement.

	2014		2015	
	NZ $000 ASSETS	NZ $000 LIABILITIES	NZ $000 ASSETS	NZ $000 LIABILITIES
CURRENT				
Foreign currency forward exchange contracts – cash flow hedges	30,514	736	21,021	2,928
Foreign currency forward exchange contracts – not hedge accounted	174	-	593	15
Foreign currency option contracts – cash flow hedges	4,196	-	2,131	-
Foreign currency option contracts – time value	257	1	448	756
Interest rate swaps - cash flow hedges	191	878	47	1,374
	35,332	**1,615**	**24,240**	**5,073**
NON-CURRENT				
Foreign currency forward exchange contracts – cash flow hedges	15,555	922	12,213	1,457
Foreign currency forward exchange contracts – not hedge accounted	260	-	-	-
Foreign currency option contracts – cash flow hedges	1,390	-	897	-
Foreign currency option contracts – time value	384	-	237	805
Interest rate swaps – cash flow hedges	777	2,506	17	4,062
	18,366	**3,428**	**13,364**	**6,324**

Refer to Note 24 a.(iv) for information on the calculation of fair values.

Undiscounted cash flows relating to cash flow hedges are expected to occur as follows:

	LESS THAN 1 YEAR	BETWEEN 1 AND 2 YEARS	BETWEEN 2 AND 5 YEARS	OVER 5 YEARS
AS AT 31 MARCH 2014				
Foreign exchange derivative instruments inflows	171,971	62,180	26,266	-
Foreign exchange derivative instruments outflows	(141,756)	(52,715)	(19,921)	-
Interest rate derivative instruments net inflows (outflows)	(1,474)	(881)	(788)	696
AS AT 31 MARCH 2015				
Foreign exchange derivative instruments inflows	244,006	117,903	17,067	-
Foreign exchange derivative instruments outflows	(225,716)	(107,305)	(16,301)	-
Interest rate derivative instruments net (outflows)	(687)	(565)	(675)	(47)

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

	2014 NZ $000	2015 NZ $000
Purchase commitments forward exchange contracts	27,450	30,594
Sale commitments forward exchange contracts	234,666	350,147
Foreign currency borrowing forward exchange contracts	8,951	14,557
NZD call option contracts purchased	-	8,304
Collar option contracts – NZD call options purchased (i)	94,542	137,859
Collar option contracts – NZD put options sold (i)	102,023	153,304

(i) Foreign currency contractual amounts are equal.

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

	FOREIGN CURRENCY	
Foreign Currency	2014 $000's	2015 $000's
United States dollars	US$84,250	US$205,750
European Union euros	€66,950	€76,150
Australian dollars	A$6,500	A$4,700
British pounds	£10,500	£13,475
Canadian dollars	C$6,650	C$5,450
Japanese yen	¥2,170,000	¥2,197,500
Chinese yuan	¥25,000	¥45,000
Korean won	₩1,632,738	₩2,479,504

During the 2010 and 2012 financial years forward exchange contracts with foreign currency contractual amounts totalling US$100 million were monetised (closed out) with the NZ dollar benefit of $56,077,000 ($39,739,000 after tax) held within Cash Flow Hedge Reserve – Realised, on the Balance Sheet. The benefit remained within Cash Flow Hedge Reserve – Realised, until the original forecast transactions occured relating to the forward exchange contracts monetised. During the 2014 financial year a benefit of $21,291,000, or $15,304,000 after tax, was released to the Income Statement and included as part of the foreign exchange gain on hedged sales within revenue for that year (2015: Nil).

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

	FOREIGN CURRENCY	
Foreign Currency	2014 $000's	2015 $000's
Mexican pesos	MEX$293,000	MEX$366,000

6. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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

	2014 NZ $000	2015 NZ $000
Interest rate swaps	115,772	121,324

As at 31 March 2015 interest rate swaps with a face value of NZ$91 million were de-designated as effective hedges with the mark to market valuation of NZ$3,542,000 ($2,550,000 after tax) expensed to financing expense in the Income Statement. This action was taken due to uncertainty whether there would be an equivalent amount of NZ dollar debt on an ongoing basis. Prior to the de-designation the mark to market valuation of these interest rate swaps was held within the Cashflow Hedge Reserve, net of tax.

Interest rate swaps will expire from financial years 2016 through to 2024. Future changes in the mark to market valuation of these interest rate swaps will be expensed or credited to the Income Statement.

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions and other short-term highly liquid investments with maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within current interest-bearing liabilities on the Balance Sheet.

	2014 NZ $000	2015 NZ $000
Cash at bank – New Zealand dollar balances	57	2,868
Cash at bank – foreign currency balances	10,194	10,557
Cash on hand	187	196
	10,438	**13,621**

Financing income

Financing income is recognised on a time-proportion basis using the effective interest method.

8. TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Trade receivable balances are reviewed on an ongoing basis. Debts known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between an asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Income Statement within selling, general and administrative expenses. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against selling, general and administrative expenses in the Income Statement.

	2014 NZ $000	2015 NZ $000
CURRENT		
Trade receivables	85,661	96,985
Less provision for doubtful trade receivables	(914)	(1,272)
	84,747	95,713
Other receivables	8,616	11,703
	93,363	**107,416**
NON-CURRENT		
Other receivables	2,165	3,372
	2,165	**3,372**

Foreign currency risk

The carrying amounts of the Group's trade receivables are denominated in the following currencies:

	2014 NZ $000	2015 NZ $000
United States dollars	34,688	49,538
European Union euros	26,151	21,948
Japanese yen	7,642	8,559
Australian dollars	4,414	4,270
Canadian dollars	4,290	4,015
British pounds	3,219	3,521
New Zealand dollars	1,159	1,224
Other currencies	4,098	3,910
	85,661	**96,985**

Ageing of trade receivables past due

The ageing analysis of consolidated trade receivables beyond normal terms is as follows:

	1-30 DAYS NZ $000	31-60 DAYS NZ $000	61-90 DAYS NZ $000	90+ DAYS NZ $000	TOTAL NZ $000
Past due but not considered impaired					
31 March 2014	9,383	2,982	399	559	13,323
31 March 2015	8,593	999	306	833	10,731
Past due and considered impaired					
31 March 2014	8	306	66	534	914
31 March 2015	267	260	106	639	1,272

8. TRADE AND OTHER RECEIVABLES (CONTINUED)

	2014 NZ $000	2015 NZ $000
Movements in the provision for doubtful trade receivables are as follows:		
Balance at beginning of the year	1,494	914
Additional provision recognised	773	825
Foreign exchange translation	(12)	12
Trade receivables written off during the year as uncollectable	(1,341)	(479)
Balance at end of the year	**914**	**1,272**

The creation and release of the provision for impaired trade receivables has been included in Selling, General and Administrative expenses in the Income Statement. Amounts charged to the allowance account are generally written off when there is no expectation of further recovery. The individually impaired trade receivables relate mainly to customers which are in difficult economic situations.

Customer and receivable concentration		
Five largest customers' proportion of the Group's:		
Operating revenue	20.9%	21.4%
Trade receivables	12.4%	14.0%

There is no history of default in relation to these customers.

Fair value

Carrying amounts of trade receivables are equivalent to their fair values.

9. INVENTORIES

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the first-in, first-out (FIFO) method and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes financing costs.

	2014 NZ $000	2015 NZ $000
Materials	22,477	23,674
Finished products	78,183	80,076
Provision for obsolescence	(6,185)	(7,607)
	94,475	**96,143**

Inventory provisions are provided at year end for stock obsolescence.

10. PROPERTY, PLANT AND EQUIPMENT

Land is measured at fair value, based on periodic but at least triennial valuations by external independent valuers less any impairment losses recognised after the date of the revaluation. Valuations are performed with sufficient regularity to ensure that the fair value does not differ materially from its carrying amount.

All other property, plant and equipment is stated at historical cost less depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group, and the cost of the item can be measured reliably. All repairs and maintenance are charged to the Income Statement during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated economic useful lives, as follows:

Buildings – structure	25 - 50 years
Buildings – fit-out and other	3 - 50 years
Leasehold improvements	2 - 20 years
Plant and equipment	3 - 15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its estimated recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are recognised in the Income Statement.

Revaluations of land

Any revaluation increment is credited to the asset revaluation reserve included in equity, except to the extent that it reverses a revaluation decrement for the same asset previously recognised in the Income Statement, in which case the increment is recognised in the Income Statement.

Any revaluation decrement is recognised in the Income Statement, except to the extent that it offsets a previous revaluation increment for the same asset, in which case the decrement is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

Upon disposal or derecognition, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

10. PROPERTY, PLANT AND EQUIPMENT (CONTINUTED)

	LAND		BUILDINGS				CAPITAL PROJECTS		
	COST NZ $000	REVALUATION NZ $000	STRUCTURE NZ $000	FIT OUT AND OTHER NZ $000	LEASEHOLD IMPROVEMENTS NZ $000	PLANT & EQUIPMENT NZ $000	BUILDINGS NZ $000	OTHER NZ $000	TOTAL NZ $000
Cost and revaluation									
Balance at 31 March 2013	64,150	24,100	82,294	125,292	1,609	176,996	255	19,258	493,954
Additions	-	-	-	(48)	288	3,104	2,656	23,817	29,817
Transfers	(934)	-	7,957	(4,438)	20	21,140	(2,604)	(21,141)	-
Disposals	-	-	-	(792)	(20)	(3,299)	-	-	(4,111)
Balance at 31 March 2014	**63,216**	**24,100**	**90,251**	**120,014**	**1,897**	**197,941**	**307**	**21,934**	**519,660**
Additions	-	8,359	-	(50)	95	1,396	1,229	34,657	45,686
Transfers	-	-	(841)	5,079	-	17,468	(1,092)	(20,614)	-
Disposals	-	-	-	(128)	(45)	(6,845)	-	-	(7,018)
Balance at 31 March 2015	**63,216**	**32,459**	**89,410**	**124,915**	**1,947**	**209,960**	**444**	**35,977**	**558,328**
Depreciation and impairment losses									
Balance at 31 March 2013	-	-	9,089	38,102	1,057	98,990	-	-	147,238
Depreciation charge for the year	-	-	1,871	4,801	171	19,901	-	-	26,744
Disposals	-	-	-	(792)	(20)	(3,270)	-	-	(4,082)
Balance at 31 March 2014	**-**	**-**	**10,960**	**42,111**	**1,208**	**115,621**	**-**	**-**	**169,900**
Depreciation charge for the year	-	-	1,777	5,057	254	20,855	-	-	27,943
Disposals	-	-	-	(128)	(45)	(6,770)	-	-	(6,943)
Balance at 31 March 2015	**-**	**-**	**12,737**	**47,040**	**1,417**	**129,706**	**-**	**-**	**190,900**
Carrying amounts									
At 31 March 2013	64,150	24,100	73,205	87,190	552	78,006	255	19,258	346,716
At 31 March 2014	63,216	24,100	79,291	77,903	689	82,320	307	21,934	349,760
At 31 March 2015	**63,216**	**32,459**	**76,673**	**77,875**	**530**	**80,254**	**444**	**35,977**	**367,428**

Land and Buildings

The independent valuation of land and buildings, excluding capital projects and leasehold improvements, conducted by Darroch Limited as at 31 March 2015 was $267.0 million.

Land revaluation

The Group's policy requires that a formal external valuation of land is carried out at least every three years. Darroch Limited valued the land with an effective date of 31 March 2015 in accordance with the Property Institute of New Zealand Valuation and Property Standards and the provisions of NZ IAS16 Property, Plant and Equipment and NZ IFRS 13 Fair Value Measurement. The valuation was performed using a sales comparison approach based on a price per square metre of $275 for developed land. The valuation was adjusted for undeveloped land to $240 per square metre based on the estimated costs of improvements required to develop the land.

The change in value from the 2012 valuation, being an increment of $8.359 million, has been included in Other Comprehensive Income for the 2015 year and added to the asset revaluation reserve in equity. The aggregate land revaluation amount and asset revaluation reserve total $32.459 million.

As described in Note 24 a.(iv) land is considered to be a level 3 asset within the fair value hierarchy for valuation purposes.

11. INTANGIBLE ASSETS

Patents and trademarks

Patents and trademarks have a finite useful life and are carried at cost less accumulated amortisation and impairment losses. Amortisation is calculated using the straight line method to allocate the cost of patents and trademarks over their anticipated useful lives of 5 to 15 years. In the event of a patent being superseded or a trademark registration is not continued or renewed, the unamortised costs are written off immediately to the Income Statement.

Software costs

Software costs have a finite useful life. Software costs are capitalised and amortised over the useful economic life of 3 to 10 years.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Separately recognised goodwill is not amortised, instead it is tested annually for impairment or immediately if events or changes in circumstances indicate that it might be impaired. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

	SOFTWARE NZ $000	PATENTS & TRADEMARKS & APPLICATIONS NZ $000	OTHER NZ $000	GOODWILL NZ $000	ERP PROJECT NZ $000	TOTAL NZ $000
Cost						
Balance at 31 March 2013	10,892	14,487	644	4,273	-	30,296
Additions	1,912	3,013	5	-	-	4,930
Disposals	(437)	(94)	-	-	-	(531)
Balance at 31 March 2014	**12,367**	**17,406**	**649**	**4,273**	**-**	**34,695**
Additions	1,955	3,792	74	-	9,909	15,730
Disposals	(157)	(75)	-	-	-	(232)
Balance at 31 March 2015	**14,165**	**21,123**	**723**	**4,273**	**9,909**	**50,193**
Amortisation and impairment losses						
Balance at 31 March 2013	8,338	10,359	150	2,823	-	21,670
Amortisation for the year	1,518	1,371	260	-	-	3,149
Disposals	(435)	(94)	-	-	-	(529)
Balance at 31 March 2014	**9,421**	**11,636**	**410**	**2,823**	**-**	**24,290**
Amortisation for the year	1,820	1,572	313	-	-	3,705
Disposals	(157)	(75)	-	-	-	(232)
Balance at 31 March 2015	**11,084**	**13,133**	**723**	**2,823**	**-**	**27,763**
Carrying amounts						
At 31 March 2013	2,554	4,128	494	1,450	-	8,626
At 31 March 2014	2,946	5,770	239	1,450	-	10,405
At 31 March 2015	**3,081**	**7,990**	**-**	**1,450**	**9,909**	**22,430**

Impairment tests for goodwill

Residual goodwill relating to the acquisition of distribution businesses in Germany and South Korea is assessed annually for impairment, based on value-in-use calculations. The calculations support the carrying amount of the recorded goodwill. The Board believes that any reasonably possible change in the key assumptions used in the calculations would not cause the carrying amount to exceed its recoverable amount.

12. INCOME TAX

The tax expense or tax income for the period is the tax payable or receivable on the current period's taxable income based on the income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and changes to any unused tax losses.

Current tax balances are calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

	2014 NZ $000	2015 NZ $000
TAX EXPENSE		
Profit before tax	**136,664**	**158,766**
Tax expense at the New Zealand rate of 28%	38,266	44,454
Adjustments to taxation for:		
Non-assessable income	(246)	(283)
Non-deductible expenses	1,093	898
Tax at 30% on previously monetised financial instruments	26	-
Foreign rates other than 28%	502	797
Effect of foreign currency translations	288	(50)
Other	(318)	(223)
Total tax expense	**39,611**	**45,593**
This is represented by:		
Current tax	40,906	51,303
Deferred tax	(1,295)	(5,710)
Tax expense	**39,611**	**45,593**
Effective tax rate	29.0%	28.7%

	2014 NZ $000	2015 NZ $000
TAX PAYABLE/RECEIVABLE		
Balance at beginning of the year		
Tax payable	(4,575)	(6,740)
Tax receivable	1,429	1,350
	(3,146)	(5,390)
Movements		
Current portion of tax expense	(40,906)	(51,303)
Tax expense recognised on previously monetised financial instruments	5,987	-
Tax paid	27,994	39,282
Supplementary dividend tax credit	4,595	5,089
Other movements	86	(5)
	(2,244)	(6,937)
Balance at end of the year		
Tax payable	(6,740)	(14,198)
Tax receivable	1,350	1,871
	(5,390)	(12,327)

A pre-tax gain of $56,077,000 was realised from US dollar forward exchange contracts monetised during the 2010 and 2012 financial years. This gave rise to a total tax liability of $16,338,000, of which $6,794,000 related to the 2012 financial year. The tax expense was recorded in the Income Statement during the 2012 - 2014 financial years, based on the original maturity dates of the forward exchange contracts. Of this tax expense $5,987,000 was recorded in the 2014 year.

	2014 NZ $000	2015 NZ $000
IMPUTATION CREDITS		
New Zealand imputation credits available for use in subsequent reporting periods	3,035	19,589
Australian franking credits available for use in subsequent reporting periods	5,802	6,360

The above amounts represent the balance of the imputation and franking accounts as at the end of the reporting period.

The amounts include imputation and franking credits that would be available to the parent entity if subsidiaries paid dividends.

12. INCOME TAX (CONTINUED)

	2014 NZ $000	2015 NZ $000
DEFERRED TAX		
Balance at beginning of the year		
Deferred tax asset	11,647	14,671
Deferred tax liability	(23,127)	(21,033)
Movements		
Credited (charged) to the Income Statements:		
Provisions and accruals	3,152	5,515
Depreciation	(1,898)	(434)
Amortisation	115	159
Other	(74)	470
	1,295	5,710
Credited (charged) to Other Comprehensive Income:		
Deferred tax on cash flow hedge reserve movements	3,823	4,910
	3,823	4,910
Balance at end of the year		
Deferred tax asset	14,671	19,931
Deferred tax liability	(21,033)	(15,673)
	(6,362)	**4,258**
The balance comprises temporary differences attributable to:		
Provisions and accruals	20,731	26,246
Depreciation	(15,897)	(16,331)
Amortisation	1,793	1,952
Other	334	804
Cash flow hedges	(13,323)	(8,413)
	(6,362)	**4,258**
Timing of usage		
The amount of the deferred tax asset expected to be used:		
Within one year	14,798	19,896
After one year	(127)	35
	14,671	**19,931**
The amount of the deferred tax liability expected to be used:		
Within one year	6,097	1,397
After one year	(27,130)	(17,070)
	(21,033)	**(15,673)**

13. INTEREST-BEARING LIABILITIES

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost, and the difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Income Statement over the period of the borrowings using the effective interest rate method. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

	2014 NZ $000	2015 NZ $000
CURRENT		
Bank overdrafts	14,199	14,154
Borrowings	31,587	-
	45,786	**14,154**
NON-CURRENT		
Borrowings	63,570	51,342
	63,570	**51,342**
Foreign currency risk		
The carrying amounts of the Group's bank overdrafts are denominated in the following currencies:		
United States dollars	1,156	1,559
European Union euros	4,564	4,638
Australian dollars	969	64
British pounds	1,313	1,266
Swedish krona	353	487
Japanese yen	5,621	5,602
Korean won	-	536
Other currencies	223	2
	14,199	**14,154**
The carrying amounts of the Group's borrowings are denominated in the following currencies:		
New Zealand dollars	58,032	14,614
United States dollars	17,315	20,081
European Union euros	14,285	11,494
Australian dollars	3,525	3,359
Canadian dollars	2,000	1,794
	95,157	**51,342**
Borrowings due for repayment		
Current	**31,587**	**-**
Between one and two years	29,000	51,342
Between two and three years	34,570	-
Between three and four years	-	-
Between four and five years	-	-
Non-current	**63,570**	**51,342**

13. INTEREST-BEARING LIABILITIES (CONTINUED)

These borrowings have been aged in accordance with the expiry dates of the facilities as there are no required principal payments before the expiry of each facility. At year end the weighted average interest rate is 4.8% (2014: 5.0%)

A Negative Pledge Deed has been executed, and certain of the Group's bankers have been provided undertakings under this Deed. The negative pledge includes the covenant that security can be given only in limited circumstances.

The companies in the Group providing the undertakings under the Negative Pledge Deed are:

Fisher & Paykel Healthcare Corporation Limited

Fisher & Paykel Healthcare Limited

Fisher & Paykel Healthcare Treasury Limited

Fisher & Paykel Healthcare Properties Limited

Fisher & Paykel Healthcare Pty Limited

The principal covenants of the negative pledge are that:

(a) the interest cover ratio for the Group shall not be less than 3 times;

(b) the net tangible assets of the Group shall not be less than $150 million; and

(c) the total tangible assets of the Guaranteeing Group shall constitute at least 80% of the total tangible assets of the Group.

Refer to Note 24 (d).

	2014 NZ $000	2015 NZ $000
Unused lines of credit		
Bank overdraft facilities	13,921	13,916
Borrowing facilities	86,430	133,658
	100,351	**147,574**

Fair value

Carrying amounts of interest-bearing liabilities are equivalent to their fair values.

14. TRADE AND OTHER PAYABLES

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial period which are unpaid. The amounts are unsecured and are usually paid within 60 days of recognition. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

	2014 NZ $000	2015 NZ $000
CURRENT		
Trade payables	23,221	27,663
Employee entitlements	26,918	30,103
Other payables and accruals	21,122	23,309
	71,261	**81,075**
NON-CURRENT		
Employee entitlements	3,652	5,136
Other payables and accruals	1,247	1,213
	4,899	**6,349**
Total trade and other payables	**76,160**	**87,424**
Foreign currency risk		
The carrying amounts of the Group's trade and other payables are denominated in the following currencies:		
New Zealand dollars	40,485	48,835
United States dollars	13,849	15,076
European Union euros	9,620	9,325
Mexican pesos	2,455	4,125
British pounds	1,941	2,502
Australian dollars	2,209	1,895
Japanese yen	1,838	1,745
Other currencies	3,763	3,921
	76,160	**87,424**

Fair value

Carrying amounts of trade and other payables are equivalent to their fair values.

15. PROVISIONS

Provisions are recognised where the Group has a present legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provision for warranty covers the obligations for the unexpired warranty periods for products, based on recent historical costs incurred on warranty exposure. Currently warranty terms are 1 to 2 years for parts or parts and labour. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

As the provision for warranty is based on historical warranty rates, the actual future warranty claims experienced by the Group may be different to that of the past. Factors that could impact the provision for warranty include the success of the Group's quality system, as well as future parts and labour costs. Where the Group is aware of specific product warranty issues these are included in the provision.

	2014 NZ $000	2015 NZ $000
CURRENT		
Warranty provision:		
Balance at beginning of the year	2,960	3,388
Current year provision	6,252	4,071
Warranty expenses incurred	(5,824)	(4,845)
Balance at end of the year	**3,388**	**2,614**
NON-CURRENT		
Warranty provision:		
Balance at beginning of the year	2,401	2,483
Current year provision	82	(659)
Warranty expenses incurred	-	-
Balance at end of the year	**2,483**	**1,824**

The total warranty provision of $4,438,000 is expected to be fully utilised during the 2016 and 2017 financial years.

16. SHARE CAPITAL

Ordinary shares are classified as capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction. Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued.

Where such shares are subsequently reissued, any consideration received (net of any directly attributable incremental transaction costs and the related income tax effects) is included in equity attributable to the Company's equity holders.

All shares are fully paid. All ordinary shares rank equally with one vote attached to each fully paid ordinary share. All ordinary shares have equal voting rights.

	2014 NZ $000	2015 NZ $000
Share capital at beginning of the year	92,815	121,932
Issue of share capital under dividend reinvestment plan (i)	26,783	23,012
Issue of share capital	1,046	1,580
Increase in share capital under share option schemes for employee services	987	878
Employee share scheme shares issued for employee services	301	12
Share capital at end of the year	121,932	147,414
Less accounted for as treasury shares	(1,559)	(1,543)
	120,373	**145,871**
Number of issued shares		
Number of shares on issue at beginning of the year	542,612,236	551,110,270
Shares issued:		
Dividend reinvestment plan (i)	7,651,826	4,759,628
Employee share purchase schemes	244,430	11,115
Exercise of share options	93,134	438,332
Exercise of share options under cancellation facility	508,644	1,620,912
Total number of shares on issue	551,110,270	557,940,257
Less accounted for as treasury shares	(692,861)	(684,728)
	550,417,409	**557,255,529**

(i) 4,759,628 (2014: 7,651,826) shares were issued under the Company's dividend reinvestment plan at an average price of $4.83 (2014: $3.50) per share.

17. RESERVES

Nature and purpose of reserves

(i) Asset revaluation reserve

Refer Note 10.

(ii) Cash flow hedge reserve – unrealised

The cash flow hedge reserve - unrealised is used to record gains or losses on hedging instruments in forward foreign currency cash flow hedges that are recognised directly in equity. Amounts are recycled to the Income Statement when the associated hedged transactions affect the Income Statement.

(iii) Cash flow hedge reserve – realised

The cash flow hedge reserve – realised is used to record gains or losses on hedging instruments in forward foreign currency cash flow hedges that have been closed out (monetised) and are recognised directly in equity while the cash flow being hedged remains. Amounts are recycled to the Income Statement when the associated hedged transactions affect the Income Statement.

(iv) Employee share entitlement reserve

The employee share entitlement reserve is used to recognise the fair value of shares granted but not vested. Amounts are transferred to share capital when the shares vest to the employee.

(v) Employee share option reserve

The employee share option reserve is used to recognise the fair value of options and PSRs granted but not exercised or lapsed. Amounts are transferred to share capital when the vested options or PSRs are exercised by the employee or lapse upon expiry.

(vi) Treasury shares

The treasury shares reserve is used to recognise those shares held and controlled by Fisher & Paykel Healthcare Employee Share Purchase Trustee Limited.

Dividends

Provision is made for the amount of any dividend declared and approved on or before the reporting date but not distributed at reporting date.

	2014 NZ $000	2015 NZ $000
Retained earnings		
Balance at beginning of the year	194,918	224,511
Profit after taxation	97,053	113,173
Dividends: (i)		
Final 2014 (2013)	(37,983)	(38,626)
Interim 2015 (2014)	(29,535)	(32,287)
Unclaimed dividends	58	-
Balance at end of the year	**224,511**	**266,771**
Asset revaluation reserve		
Balance at beginning of the year	24,100	24,100
Revaluation of land	-	8,359
Balance at end of the year	**24,100**	**32,459**
Cash flow hedge reserve - unrealised (ii)		
Balance at beginning of the year	44,089	34,259
Revaluation of derivative financial instruments	19,312	12,211
Transfers to profit before tax	(32,965)	(29,746)
Tax on changes in fair value and transfers to profit before tax	3,823	4,910
Balance at end of the year	**34,259**	**21,634**
Cash flow hedge reserve - realised (ii)		
Balance at beginning of the year	15,304	-
Transfers to profit before tax	(21,291)	-
Tax on transfers to profit before tax	5,987	-
Balance at end of the year	**-**	**-**
Employee share entitlement reserve		
Balance at beginning of the year	203	130
Employee expense for the year	124	150
Transfer to share capital on vesting of shares to employees	(197)	(5)
Balance at end of the year	**130**	**275**
Employee share option reserve		
Balance at beginning of the year	2,337	2,749
Employee expense for the year	1,399	2,309
Transfer to share capital on exercise or lapse of vested options	(987)	(878)
Balance at end of the year	**2,749**	**4,180**
Treasury shares		
Balance at beginning of the year	(1,535)	(1,559)
Treasury shares issued to employee share purchase plans	(809)	-
Shares transferred to employees	785	16
Balance at end of the year	**(1,559)**	**(1,543)**

(i) Supplementary dividends of $5,089,000 were paid (2014: $4,595,000).
All dividends are recognised as distributions to shareholders.

(ii) The cash flow hedge reserve - unrealised movement for the current year includes a transfer of $3,542,000 to profit before tax in relation to de-designated interest rate swaps. There was no other ineffectiveness in relation to cash flow hedges.

18. EARNINGS PER SHARE

Basic

Basic earnings per share is calculated by dividing the profit after tax of the Group by the weighted average number of ordinary shares outstanding during the year.

	2014 NZ $000	2015 NZ $000
Profit after tax	97,053	113,173
Weighted average number of ordinary shares (000s)	547,095	555,543
Basic earnings per share (cents per share)	17.7 cps	20.4 cps

Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. Options are convertible into the Company's shares, and are therefore considered dilutive securities for diluted earnings per share.

	2014 NZ $000	2015 NZ $000
Profit after tax	97,053	113,173
Weighted average number of ordinary shares (000s)	547,095	555,543
Adjustment for share options and PSRs (000s)	18,879	14,006
Weighted average number of ordinary shares for diluted earnings per share (000s)	565,974	569,549
Diluted earnings per share (cents per share)	17.1 cps	19.9 cps

19. EMPLOYEE BENEFITS

	2014 NZ $000	2015 NZ $000
Wages and salaries	199,590	217,941
Other employment costs	12,577	9,202
Employer contributions defined contribution superannuation plans inclusive of tax	5,373	6,131
Employer contributions defined benefit superannuation plans inclusive of tax	10	12
Movement in liability for long service leave	(551)	1,651
Employee share option plans	864	1,275
Employee performance share right plans	535	1,034
Employee share purchase plans – discount on issue	124	150
Employee share purchase plans – interest free loan	33	39
Employee stock purchase plans	6	7
	218,561	**237,442**

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave are recognised in other payables in respect of employees' services up to the reporting date, and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Equity-settled share-based compensation

The Board believes that the issue of a combination of options and share rights broadly in equal value proportions provides appropriate incentive for participating employees to grow the total shareholder return of the Company. The combination of the Option Plan and the Share Rights Plan assists the Group to attract, motivate and retain key employees in an environment where such employees are in high demand both within New Zealand and internationally. Options and share rights are issued to employees under the Option Plan and Share Rights plan as a long-term component of remuneration in accordance with the Group's remuneration policy. Details of the Option and Share Rights issues are described below.

Employee option plans

The Employee Share Option Plans allow Group employees to acquire shares of the Company. One option gives the employee the right to subscribe for one ordinary share in the Company subject to meeting the vesting conditions. No amount is payable for the grant of options.

The fair value of options granted is recognised as an employee 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 periods, which are the periods over which all of the specified vesting conditions are to be satisfied. The fair value of the options granted since the 2013 financial year has been independently assessed using Monte Carlo Simulation, taking into account the terms and conditions upon which the options are granted. When options are exercised, the amount in the share option reserve relating to those options, together with the exercise price paid by the employee, is transferred to share capital. When any vested options lapse, upon employee termination or unexercised options reaching maturity, the amount in the share option reserve relating to those options is also transferred to share capital.

19. EMPLOYEE BENEFITS (CONTINUED)

Options granted since the 2013 financial year vest at any time between the third and the fifth anniversary of the grant date, as long as the Company's share price on the NZSX has, at any time on or after the third anniversary, exceeded the "escalated price" and as long as the employee remains in the service of the Group. This "escalated price" is determined using a base price established on or around the grant date being the volume weighted average price for a share on the NZSX for the 5 business days prior to the grant date; and

– increasing the last calculated base price each year by a percentage determined by the Board, based on independent advice, to represent the Company's cost of capital; and

– reducing the resulting figure by any dividend paid by the Company in respect of a share in the 12 month period immediately preceding that anniversary.

Options granted prior to the 2013 financial year have slightly different vesting conditions; the fair value of these options was measured using the Binomial Options Pricing Model, taking into account the terms and conditions upon which the options were granted.

As at 31 March 2015, options had been granted to 397 employees (2014: 380). Options granted to employees have no voting rights until they have been exercised and ordinary shares have been issued.

Movements in the number of share options outstanding and their exercise prices are as follows:

	2014		2015	
	PRICE*	NUMBER	PRICE*	NUMBER
As at beginning of the year	$3.04	19,846,050	$2.95	15,751,186
Granted during the year	$3.57	2,188,630	$4.88	1,534,890
Exercised during the year	$3.28	(3,607,332)	$3.46	(5,958,199)
Lapsed during the year	$3.67	(2,676,162)	$3.77	(350,658)
As at end of the year	$2.95	**15,751,186**	$2.92	**10,977,219**

*Estimated weighted average

Out of the 10,977,219 outstanding options (2014: 15,751,186 options), 2,259,399 options (2014: 5,262,740 options) were exercisable. The weighted average remaining contractual life of the outstanding options was 30 months (2014: 29 months).

The number of options exercised during the year also includes any options cancelled under the cancellation facility. The cancellation facility allows option holders to cancel their options and receive in return ordinary shares equal in value to the gain on the options.

The number of options that lapsed during the year includes options held by employees at resignation and options that lapsed upon expiry.

The fair value of options granted during the period determined using Monte Carlo simulation was $1.22 (2014: $0.77) per option or $1,873,000 (2014: $1,685,000) in aggregate. The significant inputs into the model were:

	2014	2015
Share price at grant date	$3.69	$4.95
Exercise price at grant date	$3.57	$4.88
Expected/historical share price volatility	25.00%	30.00%
Dividends expected over option life (cents)	62	62
Option life (years)	5	5
Risk free interest rate	4.04%	4.22%
Cost of equity	8.50%	8.80%

The expected price volatility is derived by analysing the historical volatility over the most recent historical period corresponding to the term of the option.

Employee performance share rights plan

The Employee Performance Share Rights Plan allows Group employees to acquire shares of the Company. One share right gives the employee the potential to exercise a share right for an ordinary share in the Company at no cost. Share rights become exercisable if the Company's gross total shareholder return (TSR) performance exceeds the performance of the Dow Jones US Select Medical Equipment Total Return Index (DJSMQDT) in New Zealand dollars over the same period. If the Company's TSR performance exceeds that of the DJSMQDT at either of the third, fourth or fifth anniversary of the grant date of the PSRs, some or all of the PSRs become exercisable as long as the employee remains in the service of the Group. Where an employee has exercised a portion of their PSRs before the fifth anniversary of the grant date, the remaining PSRs lapse at the time that portion has been exercised.

All unexercised PSRs expire on the fifth anniversary of the grant date.

The fair value of Performance Share Rights (PSR) granted is recognised as an employee expense in the Income Statement with a corresponding increase in the employee share entitlement reserve. The fair value is measured at grant date and spread over the vesting periods. The fair value of the PSRs granted is independently assessed using Monte Carlo Simulation, taking into account the terms and conditions upon which the PSRs are granted. When PSRs are exercised the amount in the share entitlement reserve relating to those PSRs is transferred to share capital. When any vested PSRs lapse, upon employee termination or unexercised PSRs reaching maturity, the amount in the share entitlement reserve relating to those PSRs is also transferred to share capital.

As at 31 March 2015 PSRs had been granted to 374 employees (2014: 327). PSRs granted to employees have no voting rights until they have been exercised and ordinary shares issued.

19. EMPLOYEE BENEFITS (CONTINUED)

Movements in the number of PSRs outstanding are as follows:

	2014	2015
As at beginning of the year	600,240	1,164,770
Granted during the year	588,070	585,990
Exercised during the year	-	-
Lapsed during the year	(23,540)	(53,310)
As at end of the year	**1,164,770**	**1,697,450**

There is no nominal value for the PSRs.

Out of the 1,697,450 outstanding PSRs (2014: 1,164,770 PSRs), none have yet become exercisable. The weighted average remaining contractual life of the outstanding PSRs was 41 months (2014: 47 months).

The fair value of PSRs granted during the period using Monte Carlo simulation was $3.14 (2014: $2.36) per PSR or $1,840,000 (2014: $1,388,000) in aggregate. The significant inputs into the model were:

	2014	2015
Share price at grant date	$3.69	$4.95
NZD/USD exchange rate of grant date	0.7805	0.8370
5 yr NZD risk free rate	4.04%	4.22%
5 yr USD risk free rate	1.54%	1.64%
Expected/historical share price volatility	25.00%	30.00%
Expected/historical NZD/USD volatility	13.50%	13.30%
Expected/historical DJSMDQT index volatility	16.00%	14.60%

Employee share and stock purchase plans

All New Zealand and Australian full time employees are eligible, after a qualifying period, to participate in the Employee Share Purchase Plans, which operate in accordance with sections DC13 and 14 of the New Zealand Income Tax Act 2007, with no interest being charged on the loans, and shares issued at a discount of 20% of market price. The qualifying period between grant and vesting date is 3 years, at which point the shares are transferred to the employees and become freely transferable.

684,728 shares (2014: 692,861) are held by the Trustees of the plans, being 0.1% (2014: 0.1%) of the Company's issued and paid up capital.

At 31 March 2015 the total receivable owing from employees was $631,000 (2014: $1,156,000).

There is also an Employee Stock Purchase Plan available to qualifying North American employees working more than 20 hours per week, in accordance with section 423 of the US Internal Revenue Code, as amended. Shares under this Plan are issued at a discount of 15%, are allocated to employees at the time of issue and vest immediately.

Share issued under this plan in 2015 totalled 11,115 (2014: 21,894).

Key management and director compensation

(a) Key management and director compensation for the years ended 31 March 2014 and 2015 is set out below. The key management personnel includes the Chief Executive Officer and those employees who report directly to the CEO.

	2014 NZ $000	2015 NZ $000
Short-term benefits		
Salaries and other short term benefits	5,252	5,247
Directors fees paid	779	765
Directors retirement fee paid	279	-
Movement in accrual for directors' retirement fees	(273)	3
Total short-term benefits	6,037	6,015
Post-employment benefits		
Employer contributions to defined contribution superannuation plans	97	102
Share-based benefits		
Employee share purchase plans	2	1
Employee share option plans	225	371
Employee performance share right plans	127	269
Total share-based benefits	354	641
Total compensation	6,488	6,758

The amounts of key management and director compensation outstanding as at balance date are $1,719,000 (2014: $1,679,000).

(b) Other Transactions with Key Management and Directors or Entities related to them

There have been no other material transactions with key management and directors or entities related to them during the period.

20. 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, when required, 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.

21. COMMITMENTS

	2014 NZ $000	2015 NZ $000
Capital expenditure commitments contracted for but not recognised as at the reporting date:		
Within one year	3,749	11,411
Between one and two years	-	194
Between two and five years	-	-
	3,749	**11,605**
Gross commitments under non-cancellable operating leases		
Within one year	4,989	5,115
Between one and two years	3,318	3,991
Between two and five years	3,731	4,963
Over five years	1,348	600
	13,386	**14,669**

Leases

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

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Income Statement on a straight line basis over the period of the lease.

22. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

The Group classifies its financial assets in the following categories: at fair value through profit or loss, and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets, except for those assets with maturities greater than 12 months after the balance sheet date, which are classified as non-current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those assets with maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Group's loans and receivables comprise cash and cash equivalents, and trade and other receivables in the Balance Sheet.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchase or sell the asset. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Income Statement. They are subsequently carried at fair value. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the Income Statement within operating profit in the period in which they arise.

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment testing of trade receivables is described in Note 8.

The accounting policies for financial instruments have been applied to the line items below:

	LOANS AND RECEIVABLES NZ $000	ASSETS AT FAIR VALUE THROUGH THE PROFIT AND LOSS NZ $000	DERIVATIVES USED FOR HEDGING NZ $000	TOTAL NZ $000
31 March 2014				
Assets as per Balance Sheet				
Cash and cash equivalents	10,438	-	-	10,438
Trade receivables	84,747	-	-	84,747
Derivative financial instruments	-	1,075	52,623	53,698
Total	**95,185**	**1,075**	**52,623**	**148,883**

	LIABILITIES AT FAIR VALUE THROUGH THE PROFIT AND LOSS NZ $000	DERIVATIVES USED FOR HEDGING NZ $000	OTHER FINANCIAL LIABILITIES MEASURED AT AMORTISED COST NZ $000	TOTAL NZ $000
31 March 2014				
Liabilities as per Balance Sheet				
Interest-bearing liabilities	-	-	109,356	109,356
Trade and other payables	-	-	44,343	44,343
Derivative financial instruments	-	5,043	-	5,043
Total	**-**	**5,043**	**153,699**	**158,742**

22. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

	LOANS AND RECEIVABLES NZ $000	ASSETS AT FAIR VALUE THROUGH THE PROFIT AND LOSS NZ $000	DERIVATIVES USED FOR HEDGING NZ $000	TOTAL NZ $000
31 March 2015				
Assets as per Balance Sheet				
Cash and cash equivalents	13,621	-	-	13,621
Trade receivables	95,713	-	-	95,713
Derivative financial instruments	-	1,278	36,326	37,604
Total	**109,334**	**1,278**	**36,326**	**146,938**

	LIABILITIES AT FAIR VALUE THROUGH THE PROFIT AND LOSS NZ $000	DERIVATIVES USED FOR HEDGING NZ $000	OTHER FINANCIAL LIABILITIES MEASURED AT AMORTISED COST NZ $000	TOTAL NZ $000
31 March 2015				
Liabilities as per Balance Sheet				
Interest-bearing liabilities	-	-	65,496	65,496
Trade and other payables	-	-	50,972	50,972
Derivative financial instruments	771	10,626	-	11,397
Total	**771**	**10,626**	**116,468**	**127,865**

Master Netting

All derivatives are recorded in the Balance Sheet as Gross. There are no amounts offset in accordance with NZ IAS 32 netting criteria. The Group has ISDA agreements in place for all derivatives but netting arrangements are only enforceable upon early termination, for example, on occurrence of a credit default. Those financial assets and liabilities that are subject to enforceable master netting arrangements are as found in Note 6.

23. SEGMENT INFORMATION

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). 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 operating segments of the Group have been determined based on the components of the Group that the 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.

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 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 ,Turkey and Russia, 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.

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.

Information regarding the operations of each reportable segment is included on the following pages. 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.

23. SEGMENT INFORMATION (CONTINUED)

Operating Segments - 31 March 2014	NEW ZEALAND NZ $000	NORTH AMERICA NZ $000	EUROPE NZ $000	ASIA-PACIFIC NZ $000	ELIMINATIONS NZ $000	TOTAL NZ $000
Sales revenue – external	57,125	235,432	183,698	92,347	-	568,602
Sales revenue – internal	368,700	-	-	-	(368,700)	-
Foreign exchange gain on hedged sales	54,845	-	-	-	-	54,845
Total operating revenue	**480,670**	**235,432**	**183,698**	**92,347**	**(368,700)**	**623,447**
Other income	3,700	-	-	-	-	3,700
Depreciation and amortisation	28,234	333	482	844	-	29,893
Reportable segment operating profit before financing costs	**135,055**	**5,452**	**11,676**	**3,777**	**(12,461)**	**143,499**
Financing income	2,285	2	1	4	(2,235)	57
Financing expense	(7,010)	(1,999)	(675)	(331)	2,235	(7,780)
Exchange gain (loss) on foreign currency borrowings	1,055	-	(167)	-	-	888
Reportable segment assets	**630,207**	**69,891**	**76,924**	**36,943**	**(183,640)**	**630,325**
Reportable segment capital expenditure	**30,562**	**292**	**343**	**682**	**-**	**31,879**

Operating Segments - 31 March 2015	NEW ZEALAND NZ $000	NORTH AMERICA NZ $000	EUROPE NZ $000	ASIA-PACIFIC NZ $000	ELIMINATIONS NZ $000	TOTAL NZ $000
Sales revenue – external	57,647	289,515	196,895	99,956	-	644,013
Sales revenue – internal	456,118	-	-	-	(456,118)	-
Foreign exchange (loss) on hedged sales	28,335	-	-	-	-	28,335
Total operating revenue	**542,100**	**289,515**	**196,895**	**99,956**	**(456,118)**	**672,348**
Other income	5,000	-	-	-	-	5,000
Depreciation and amortisation	29,879	353	596	820	-	31,648
Reportable segment operating profit before financing costs	**161,848**	**6,888**	**9,966**	**4,359**	**(12,978)**	**170,083**
Financing income	2,256	10	2	8	(2,132)	144
Financing expense	(9,019)	(1,534)	(609)	(299)	2,132	(9,329)
Exchange (loss) on foreign currency borrowings	(1,903)	-	(229)	-	-	(2,132)
Reportable segment assets	**651,177**	**93,109**	**79,186**	**42,590**	**(196,246)**	**669,816**
Reportable segment capital expenditure	**52,591**	**322**	**420**	**252**	**-**	**53,585**

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.

Product Group Information	YEAR ENDED 31 MARCH 2014 NZ $000	YEAR ENDED 31 MARCH 2015 NZ $000
Respiratory & acute care	336,851	368,162
Obstructive sleep apnea	270,048	291,126
Core products subtotal	606,899	659,288
Distributed and other	16,548	13,060
Total revenue	**623,447**	**672,348**

Major Customer

Revenues from one customer of the North America segment (being a distributor) represent approximately $82.9million (2014: $73.3million) of the Group's total revenues.

24. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The Board of Directors has approved policies and guidelines for the Group that identify and evaluate risks and authorise various financial instruments to manage financial risks. These policies and guidelines are reviewed regularly.

a. Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, European Union euro, British pound, Australian dollar, Japanese yen, Canadian dollar and Mexican peso.

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The purpose of the Group's foreign currency risk management activities is to protect the Group from exchange rate volatility with respect to New Zealand dollar net cash movements resulting from the sale of products in foreign currencies to foreign customers, and the purchase of raw materials in foreign currencies from foreign and domestic suppliers. The Group enters into foreign currency option contracts and forward foreign currency contracts within policy parameters to manage the risk associated with anticipated sales or costs. The terms of the foreign currency option contracts and the forward foreign currency contracts generally do not exceed five years. However, with Board approval, the foreign currency option contracts and the forward foreign currency contracts may have terms of up to ten years.

Foreign exchange contracts and options in relation to sales are designated at the Group level as hedges of foreign exchange risk on specific forecast foreign currency denominated sales.

Major capital expenditure in foreign currency may be hedged with forward exchange contracts and options and may be designated as hedges.

Balance sheet foreign exchange risk arising from net assets held by the Group may be hedged either by debt in the relevant currency, foreign currency swaps or by foreign currency option contracts and forward foreign currency contracts.

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(ii) Price risk

The Group has no material exposure to price risk.

(iii) Interest rate risk

The Group's main interest rate risk arises from floating rate borrowings drawn under bank debt facilities. When deemed appropriate, the Group manages floating interest rate risk by using floating-to-fixed interest rate swaps and interest rate swaptions. Interest rate swaps have the economic effect of converting borrowings from floating to fixed rates. Interest rate swaptions give the right, but not the obligation, to enter into an interest rate swap at a fixed rate at a future date. Under the Group Treasury policy, the mix between economically fixed and floating debt is reviewed on a regular basis. Interest rate swaps are accounted for as cash flow hedges and management may also designate interest rate swaptions as cash flow hedges.

(iv) Fair value estimation

NZ IFRS 13 for financial assets and liabilities measured at fair value requires disclosure of the fair value measurements by level from the following fair value hierarchy:

- Level 1 – Quoted price (unadjusted) in active markets for identical assets and liabilities;
- Level 2 – Inputs, other than quoted price included within level 1, that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices);
- Level 3 – Inputs for assets and liabilities that are not based on observable market data (that is, unobservable inputs).

Derivatives have all been determined to be within level 2 of the fair value hierarchy. See note 13 for disclosures of the land that is measured at fair value.

All the Group's financial instruments held at fair value have been measured at the fair value measurement hierarchy of level 2 (2014: level 2), as all significant inputs required to ascertain the fair value are observable. Financial liabilities measured at amortised cost are fair valued using the contractual cashflows. The carrying value of these liabilities approximates their fair value as estimated future interest rates would approximate the discount rates used in a fair value assessment.

The fair value of derivative liabilities designated in a hedging relationship is determined using the following valuation techniques:

- Foreign currency forward exchange contracts have been fair valued using quoted forward exchange rates and discounted using yield curves from quoted interest rates that match the maturity dates of the contracts;
- Foreign currency option contracts have been fair valued using observable option volatilities, and quoted forward exchange and interest rates that match the maturity dates of the contracts;
- Interest rate swaps are fair valued by discounting the future interest and principal cash flows using current market interest rates that match the maturity dates of the contracts.

These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates.

All financial assets other than derivatives are classified as loans and receivables. All financial liabilities other than derivatives are classified as measured at amortised cost. The carrying value of financial assets and liabilities other than derivatives approximates their fair value.

(v) Summarised sensitivity analysis

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk and foreign exchange risk. A sensitivity of +/-10% for foreign exchange risk has been selected (2014: +/-10%). The Group's primary foreign currency exposure is the New Zealand dollar versus the US dollar, with other currencies as discussed above forming the balance of the exposure. The Group believes that an overall sensitivity of +/-10% is reasonably possible given the exchange rate volatility observed on a historical basis for the preceding 5 year period with a higher weighting given to exchange rate volatility over the preceding year and the range of market expectations for potential future movements. A sensitivity of +/-1% has been selected for interest rate risk (2014: +/-1%). This sensitivity is based on reasonably possible changes over a financial year using the observed range of historical data for the preceding 5 year period.

Amounts are shown net of income tax. All variables other than the applicable interest rates and exchange rates are held constant. The tables assume a 10% (2014: 10%) movement in the New Zealand dollar against all currencies.

		INTEREST RATE RISK				FOREIGN EXCHANGE RISK			
		-1%		+1%		-10%		+10%	
As at 31 March 2014	CARRYING AMOUNT NZ $000	INCOME STATEMENT NZ $000	OCI NZ $000	INCOME STATEMENT NZ $000	OCI NZ $000	INCOME STATEMENT NZ $000	OCI NZ $000	INCOME STATEMENT NZ $000	OCI NZ $000
Derivative Financial Instruments	48,655	(686)	(4,066)	686	3,987	(1,234)	(16,815)	(28)	15,965
Other Financial Assets:									
Cash and cash equivalents	10,438	-	-	-	-	812	-	(731)	-
Trade receivables	84,747	-	-	-	-	6,538	-	(5,885)	-
Other Financial Liabilities:									
Trade and other payables	44,343	-	-	-	-	(1,916)	-	2,129	-
Interest-bearing liabilities	109,356	779	-	(779)	-	(3,613)	-	4,015	-
Total increase/(decrease)		**93**	**(4,066)**	**(93)**	**3,987**	**587**	**(16,815)**	**(500)**	**15,965**
As at 31 March 2015									
Derivative Financial Instruments	26,207	(2,604)	(1,830)	2,885	1,298	(1,459)	(30,673)	2,760	24,804
Other Financial Assets:									
Cash and cash equivalents	13,621	(21)	-	21	-	1,079	-	(971)	-
Trade receivables	96,985	-	-	-	-	3,758	-	(3,382)	-
Other Financial Liabilities:									
Trade and other payables	50,972	-	-	-	-	(152)	-	169	-
Interest-bearing liabilities	65,496	464	-	(464)	-	(96)	-	106	-
Total increase/(decrease)		**(2,161)**	**(1,830)**	**2,442**	**1,298**	**3,130**	**(30,673)**	**(1,318)**	**24,804**

For the effect on profit a positive number represents an increase to net profit after tax and a negative number represents a decrease to net profit after tax. For the effect on equity a positive number represents an increase in equity and a negative number represents a decrease in equity.

b. Credit risk

Credit risk is managed on a Group basis. Other than only operating in the medical devices industry, the Group has no significant concentration of credit risk. The Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history.

Derivative counterparties, cash transactions and cash at banks are limited to high credit quality financial institutions. The Group has policies that limit the amount of credit exposure to any one financial institution according to the credit rating of the financial institution concerned.

There are no significant trade receivable balances relating to customers who have previously defaulted on amounts due to the Group.

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

The credit quality of bank balances can be assessed by reference to external credit ratings as follows:

	2014 NZ $000	2015 NZ $000
Credit rating		
A- and above	9,209	11,163
Other	1,041	2,262
Total	**10,250**	**13,425**

The maximum potential exposure to credit risk is:

	2014 NZ $000	2015 NZ $000
Cash and cash equivalents	10,438	13,621
Trade receivables	84,747	95,713
Derivative financial instruments	53,698	37,604
Total	**148,883**	**146,938**

c. Liquidity risk

Management monitors rolling forecasts of the Group's liquidity position on the basis of expected cash flow.

The tables below analyse the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	< 1 YEAR NZ $000	1 - 2 YEARS NZ $000	2 - 5 YEARS NZ $000	> 5 YEARS NZ $000	TOTAL NZ $000
As at 31 March 2014					
Bank overdrafts	14,199	-	-	-	**14,199**
Trade and other payables	44,343	-	-	-	**44,343**
Borrowings	35,396	31,166	35,160	-	**101,722**
As at 31 March 2015					
Bank overdrafts	14,154	-	-	-	**14,154**
Trade and other payables	50,972	-	-	-	**50,972**
Borrowings	2,403	52,289	-	-	**54,692**

The tables below analyse the Group's derivative financial instruments into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. They are expected to occur and impact the Income Statement at various dates between balance date and the following 10 years:

	< 1 YEAR NZ $000	1 - 2 YEARS NZ $000	2 - 5 YEARS NZ $000	> 5 YEARS NZ $000	TOTAL NZ $000	CARRYING AMOUNT NZ $000
At 31 March 2014						
GROSS SETTLED DERIVATIVES						
Forward foreign exchange contracts						
Inflow	178,815	64,287	26,266	-	269,368	
Outflow	(148,429)	(54,549)	(19,921)	-	(222,899)	
Net inflow	30,386	9,738	6,345	-	46,469	44,845
Foreign currency option contracts*						
Inflow	-	-	-	-	-	
Outflow	-	-	-	-	-	
Net inflow	-	-	-	-	-	6,227
NET SETTLED DERIVATIVES						
Interest rate swaps**						
Net inflow (outflow)	(1,474)	(881)	(788)	696	(2,447)	(2,417)

*There are no contractual cash flows in relation to foreign currency option contracts.
**The amounts expected to be receivable in relation to the interest rate swaps have been estimated using forward interest rates applicable at the reporting date.

	< 1 YEAR NZ $000	1 - 2 YEARS NZ $000	2 - 5 YEARS NZ $000	> 5 YEARS NZ $000	TOTAL NZ $000	CARRYING AMOUNT NZ $000
At 31 March 2015						
GROSS SETTLED DERIVATIVES						
Forward foreign exchange contracts						
Inflow	258,563	117,903	17,067	-	393,533	
Outflow	(239,690)	(107,305)	(16,301)	-	(363,296)	
Net inflow	18,873	10,598	766	-	30,237	29,427
Foreign currency option contracts*						
Inflow	-	-	-	-	-	
Outflow	-	-	-	-	-	
Net inflow	-	-	-	-	-	2,151
NET SETTLED DERIVATIVES						
Interest rate swaps**						
Net (outflow)	(1,541)	(1,490)	(2,454)	(459)	(5,944)	(5,372)

*There are no contractual cash flows in relation to foreign currency option contracts.
**The amounts expected to be receivable in relation to the interest rate swaps have been estimated using forward interest rates applicable at the reporting date.

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

d. Capital risk management

The main objective of capital risk management is to ensure the Group operates as a going concern, meets debts as they fall due, maintains the best possible capital structure, and reduces the cost of capital. Group capital consists of share capital, other reserves and retained earnings. To maintain or alter the capital structure the Group has the ability to review the size of the dividends paid to shareholders, return capital or issue new shares, reduce or increase debt or sell assets.

There has been no change in Group policies or objectives in relation to capital risk management since the prior year.

There are a number of external bank covenants in place relating to debt facilities. These covenants are calculated monthly and reported to the banks semi-annually. The principal covenants relating to capital management are the interest cover ratio, the net tangible assets minimum requirement and total tangible assets ratio. The consequences of a breach of these covenants would depend on the nature of the breach, but could range from an instigation of an event of review, to a demand for repayment. There have been no breaches of these covenants or events of review for the current or prior period.

25. SIGNIFICANT EVENTS AFTER BALANCE DATE

On 28 May 2015 the directors approved the payment of a fully imputed 2015 final dividend of $44,638,116 (8.0 cents per share) to be paid on 10 July 2015. A supplementary dividend of 1.4118 cents per share was also approved for eligible non-resident shareholders.

26. OTHER ACCOUNTING POLICIES

a. Changes to accounting policies

There have been no changes in accounting policies.

b. Standards, Interpretations and Amendments to Published Standards

The following new accounting standards and amendments to existing standards have been adopted by the Group in the year ended 31 March 2015:

NZ IAS 32, 'Financial instruments: Presentation' (amendment) on offsetting financial assets and financial liabilities. This amendment clarifies that the right of set-off must not be contingent on a future event. It must also be legally enforceable for all counterparties in the normal course of business, as well as in the event of default, insolvency or bankruptcy. The amendment also considers settlement mechanisms. The amendment did not have a significant effect on the group financial statements.

The following accounting standards and amendments to existing standards are not yet effective and have not been early adopted by the Group:

NZ IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of NZ IFRS 9 was issued in September 2014. It replaces the guidance in NZ IAS 39 that relates to the classification and measurement of financial instruments. NZ IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in NZ IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. NZ IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under NZ IAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group intends to adopt NZ IFRS 9 for the first period beginning after its effective date and has yet to assess its full impact.

NZ IFRS 15, 'Revenue from contracts with customers' (Effective date: periods beginning on or after 1 January 2017) deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces NZ IAS 18 'Revenue' and NZ IAS 11 'Construction contracts' and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Group intends to adopt NZ IFRS 15 for the first period beginning after its effective date and is currently assessing its full impact.

c. Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised as an expense for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

d. Goods and Services Tax (GST)

The Income Statements have been prepared so that all components are stated exclusive of GST. All items in the Balance Sheets are stated net of GST, with the exception of trade receivables and payables, which include GST invoiced.

e. Financing expense

Financing expense comprises interest expense on interest-bearing liabilities calculated using the effective interest rate method, and other associated borrowing costs. Financing expenses directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset.

f. Research & development

Research expenditure is expensed as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Group are recognised as intangible assets only when all the following criteria are met: it is technically feasible to complete the product so that it will be available for use or sale; management intends to complete the product and use or sell it; there is an ability to use or sell the product; it can be demonstrated that the product will generate future economic benefits; adequate technical, financial and other resources to complete the development and to use or sell the product are available; and the expenditure attributable to the product during its development can be reliably measured and is material. Directly attributable costs capitalised as part of the product would include employee costs and an appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Development costs recognised as an asset are amortised over their estimated useful lives.

g. Advertising and sales promotion costs

All advertising and sales promotion costs are expensed as incurred.

h. Financial guarantee contracts

A financial guarantee contract is a contract that requires a company within the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due. Financial guarantee contracts are initially recognised at fair value. Financial guarantees are subsequently measured at the greater of the initial recognition amount less amounts recognised as income or the estimated amount expected to have to be paid to a holder for a loss incurred.

i. Statements of cash flows

The following are the definitions of the terms used in the Statements of Cash Flows:

(i) Cash comprises cash and bank balances.

(ii) Investing activities are those activities relating to the acquisition, holding and disposal of property, plant and equipment, intangible assets and investments.

(iii) Financing activities are those activities which result in changes in the size and composition of the capital structure of the Group. This includes both equity and debt not falling within the definition of cash. Dividends paid are included in financing activities.

(iv) Operating activities include all transactions and other events that are not investing or financing activities. Cash flows from short-term borrowings, being durations of 3 months or less, are disclosed net, due to their short-term maturities and the volume of transactions involved.

Independent Auditor's Report

to the shareholders of Fisher & Paykel Healthcare Corporation Limited

Report on the Financial Statements

We have audited the Group financial statements of Fisher & Paykel Healthcare Corporation Limited ("the Company") on pages 38 to 85 which comprise the balance sheets as at 31 March 2015, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements that include a summary of significant accounting policies and other explanatory information for the Group. The Group comprises the Company and the entities it controlled at 31 March 2015 or from time to time during the financial year.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. These standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider the internal controls relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

We are independent of the Group. Our firm carries out other services for the Group in the areas of advisory, tax and other assurance services. The provision of these services has not impaired our independence.

Independent Auditor's Report

Fisher & Paykel Healthcare Corporation Limited

Opinion

In our opinion, the financial statements on pages 38 to 85 present fairly, in all material respects, the financial position of the Group as at 31 March 2015, and its financial performance and cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards and International Financial Reporting Standards.

Restriction on Use of our Report

This report is made solely to the Company's shareholders, as a body, in accordance with the Companies Act 1993. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditors' 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 audit work, for this report or for the opinions we have formed.

PricewaterhouseCoopers

Chartered Accountants
28 May 2015

Corporate Governance and Statutory Information

The Board and management of Fisher & Paykel Healthcare are committed to ensuring that the company adheres to best practice governance principles and maintains the highest ethical standards. The Board regularly reviews and assesses the company's governance structures to ensure that they are consistent, both in form and in substance, with best practice.

The company is listed on both the New Zealand and Australian stock exchanges. Corporate governance principles and guidelines have been introduced in both countries. These include the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition), the NZX Main Board Listing Rules relating to corporate governance, the NZX Corporate Governance Best Practice Code, and the Financial Markets Authority Corporate Governance in New Zealand Handbook (collectively, the Principles).

As at 28 May 2015, the Board considers that the company's corporate governance practices and procedures substantially reflect the Principles.

As encouraged by the ASX Corporate Governance Council, the company has taken the opportunity afforded by the 3rd edition of the ASX Corporate Governance Council's Principles and Recommendations to streamline this Annual Report by publishing certain corporate governance disclosures on its website. These disclosures are set out in the company's Annual Corporate Governance Statement as approved by the company's board on 28 May 2015 (the "2015 Corporate Governance Statement"), which is incorporated into this Annual Report by cross-reference and can be viewed at www.fphcare.co.nz/corporategovernance (the "Company's Website"). The company has also adopted the requirements of the Financial Markets Authority Corporate Governance in New Zealand Handbook except to the extent certain of those requirements mandate information to be included in this Annual Report (in which case that information is included in the 2015 Corporate Governance Statement).

The full content of the company's corporate governance policies, practices and procedures can be found on the Company's Website.

THE BOARD

Board Composition

At present, there are seven directors on the Board. Six out of the seven directors are non-executive directors. Michael Daniell, the Managing Director and Chief Executive Officer, is the only executive director on the Board. The Chairman of the Board is Tony Carter.

The biography of each Board member, including each director's skills, experience, expertise and the term of office held by each director at the date of this Annual Report, is set out in the "Our Board" section of this Annual Report.

Independence of Directors

The company considers that, as at 31 March 2015, six of the seven current directors are independent directors, namely Tony Carter, Roger France, Lindsay Gillanders, Geraldine McBride, Arthur Morris and Donal O'Dwyer. Please refer to the 2015 Corporate Governance Statement for more information about the company's assessment of the directors' independence.

Committees

Specific responsibilities are delegated to the Audit & Risk Committee, the Remuneration and Human Resources Committee, the Nomination Committee and the Quality, Safety and Regulatory Committee. These Board committees support the Board by working with management on relevant issues at a suitably detailed level and then reporting back to the Board. Please refer to the 2015 Corporate Governance Statement for a summary of each committee's responsibilities and functions. Each committee has a charter detailing its objectives, procedures, composition and responsibilities. Copies of these charters are available on the Company's Website.

Committee membership

- Audit & Risk Committee – current members of this committee are Roger France (Chairman), Tony Carter and Lindsay Gillanders. Please see the "Our Board" section of this Annual Report for their qualifications.
- Remuneration and Human Resources Committee – current members of this committee are Tony Carter (Chairman), Roger France and Geraldine McBride.
- Nomination Committee – current members of this committee are Tony Carter (Chairman), Roger France and Geraldine McBride.
- Quality, Safety and Regulatory Committee – current members of this committee are Arthur Morris (Chairman), Tony Carter and Donal O'Dwyer.

Board Processes

The Board held 8 meetings during the year ended 31 March 2015. The table below shows attendance at the Board and committee meetings.

At the company's Annual Meeting of Shareholders held on 20 August 2014, all of the then-serving directors attended the meeting.

	BOARD		AUDIT & RISK COMMITTEE		REMUNERATION & HUMAN RESOURCES COMMITTEE		NOMINATION COMMITTEE		QUALITY, SAFETY & REGULATORY COMMITTEE	
	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED	ELIGIBLE TO ATTEND	ATTENDED
Tony Carter	8	8	4	4	3	3	2	2	3	2
Michael Daniell	8	8								
Roger France	8	8	4	4	3	3	2	2		
Lindsay Gillanders	8	8	4	4						
Geraldine McBride	8	7			3	1	2	1		
Arthur Morris	8	8							3	3
Donal O'Dwyer	8	8							3	3

Directors' Remuneration

The maximum total monetary sum payable by the company by way of directors' fees is $950,000 per annum as approved by shareholders at the 2014 annual shareholders' meeting.

Non-executive directors received the following directors' fees from the company in the year ended 31 March 2015:

	NZ $000
Tony Carter	200,000
Roger France	123,000
Lindsay Gillanders	103,000
Geraldine McBride	98,000
Arthur Morris	108,000
Donal O'Dwyer	123,245
	$755,245

Non-executive directors do not take a portion of their remuneration under an equity security plan but directors may hold shares in the company, details of which are set out in the "Directors' Shareholdings" section of this Annual Report. It is the company's policy to encourage directors to acquire shares on-market.

No non-executive director is entitled to receive a retirement payment unless eligibility for such payment has been agreed by shareholders and publicly disclosed during his or her term of Board service or such retirement payment is within the limits prescribed by the NZX Main Board Listing Rules. More information about the NZX Main Board Listing Rules, and the Board resolution approved at the 2004 Annual Meeting of Shareholders, in each case relating to directors' retirement payments, is set out in the 2015 Corporate Governance Statement. A non-executive director's retirement allowance of NZ$95,659 has been provided for by the company as at 31 March 2015 in relation to Lindsay Gillanders.

Michael Daniell, acting in his capacity as an employee of the company, received fixed remuneration (inclusive of the value of benefits) in the year ended 31 March 2015 of $1,022,129.

In addition to this fixed remuneration, Michael Daniell also received performance-based at-risk components, both paid out and accrued, of $596,156. On 28 August 2014, Michael Daniell was also issued 150,000 options with a fair value of $183,000 and 50,000 performance share rights with a fair value of $157,000. The options and performance share rights were valued using Monte Carlo simulation (the assumptions for these calculations are included in Note 19 of the Financial Statements).

Michael Daniell, in his capacity as an executive director, does not receive remuneration as a director of the company or any subsidiary company. No employee of the company or its subsidiaries receives or retains any remuneration or other benefits in their capacity as a director.

SENIOR MANAGEMENT REMUNERATION

Please see the "Employee Remuneration" section of this Annual Report, where the company has disclosed remuneration (inclusive of the value of other benefits) received by employees or former employees of the company or its subsidiaries in the relevant bandings of employee remuneration exceeding $100,000 received in the year ended 31 March 2015. More information about the company's senior management remuneration policy and packages is set out in the 2015 Corporate Governance Statement.

RISK MANAGEMENT

Please refer to the 2015 Corporate Governance Statement for an overview of material risks identified by the Board which could affect the company's results and performance, and the mechanisms and internal controls intended to manage those risks.

POLICIES

The company has in place a number of policies including those covering performance evaluation of the Board, Board committees, individual directors and senior executives, external financial auditors, remuneration, market disclosure, communication with shareholders, share trading and human resources and health and safety.

Diversity Policy

The company is committed to providing equal employment opportunities and as such, has a workforce consisting of many individuals with diverse skills, values, backgrounds, ethnicity and experiences. The company ensures that its selection processes for recruitment and employee development opportunities are free from bias and are based on merit.

The company has appointed the Vice President – Human Resources as the Diversity Manager. The Diversity Manager has reviewed existing recruitment processes and practices to ensure that they are free from any discrimination.

The Board has delegated to the Remuneration and Human Resources Committee the responsibility for oversight of the company's Diversity Policy. On an annual basis, the Remuneration and Human Resources Committee will review and report to the Board on the company's Diversity Policy, its diversity objectives and the company's achievement against its diversity objectives, including the representation of women at all levels of the organisation.

The Board has conducted its annual assessment of its diversity objectives and the company's progress towards achieving these objectives. The company reports that during the year under review:

- the company has developed and piloted a diversity and inclusion module in its leadership program for managers. The program educates the company's managers on the importance of creating a diverse and inclusive environment;
- the company has continued to train new employees in its Code of Ethics awareness programme globally. This awareness programme includes a section covering appropriate practices and policies relating to diversity and Equal Employment Opportunities;
- the company has continued to monitor its policies and practices to ensure that they are free from bias; and
- the personnel involved in any recruitment and selection process, has continued to include a female, wherever practical.

In the year ahead the company will continue the global roll-out of the diversity and inclusion module in its leadership program for managers. The company will continue to monitor its policies and practices to ensure that they are free from bias, will train new employees in its Code of Ethics awareness program and the company will continue to ensure that a diverse team is involved in all recruitment and selection processes.

The Board has set a new objective that it will develop and pilot a training module providing awareness of unconscious bias in our people management processes. This would be included as a module in the company's leadership program for managers.

The table below shows the respective proportions of men and women on the board, in senior executive positions and across the whole organisation as at 31 March 2014 and 31 March 2015:

	2014				2015			
	WOMEN	MEN	WOMEN %	MEN %	WOMEN	MEN	WOMEN %	MEN %
Board	1	6	14%	86%	1	6	14%	86%
Senior executives	1	5	17%	83%	1	5	17%	83%
All employees	1,306	1,614	45%	55%	1,343	1,718	44%	56%

A "senior executive", as it is used in the table above, refers to the Chief Executive Officer and senior executives reporting directly to the Chief Executive Officer.

The company's Diversity Policy was reviewed during the year and is available on the Company's Website.

Other Policies

Summary information with respect to a number of the company's policies can be found in the 2015 Corporate Governance Statement. More detailed information about all these policies can also be found on the Company's Website.

PRINCIPAL ACTIVITIES

Fisher & Paykel Healthcare Corporation Limited is a world leading designer, manufacturer and marketer of products and systems for use in respiratory care, acute care and the treatment of obstructive sleep apnea. There were no significant changes to the state of affairs of the company or to the nature of the company's principal activities during the financial year.

STOCK EXCHANGE LISTINGS

The company's shares were listed on the NZX Main Board on 14 November 2001. The company's shares were listed on the ASX on 21 November 2001. There is no current on-market buy-back of the company's ordinary shares and during the year ended 31 March 2015 none of the company's ordinary shares were purchased on-market under or for the purposes of an employee incentive scheme or to satisfy the entitlements of holders of options or other rights to acquire ordinary shares granted under an employee incentive scheme. The company does not have any restricted securities or securities subject to voluntary escrow on issue.

SHARE ISSUES

During the year ended 31 March 2015:

- 4,759,628 shares were issued under the company's dividend reinvestment plan;
- 11,115 shares were issued under approved employee share purchase schemes;
- 438,332 shares were issued under employee share option plans upon the exercise of previously granted share options;
- 1,620,924 shares were issued under employee share option plans using the Cancellation Offer Facility as approved by shareholders on 12 August 2004;
- 1,534,890 share options were issued under an employee share option plan; and
- 585,990 performance share rights were issued under a performance share rights plan.

DIRECTORS

During the twelve months to 31 March 2015, Tony Carter and Lindsay Gillanders offered themselves for re-election at the company's annual shareholders' meeting on 20 August 2014 and were re-elected.

DISCLOSURE OF INTERESTS BY DIRECTORS

Directors' certificates to cover entries in the company's interests register in respect of remuneration, insurance, indemnities, dealing in the Company's shares, and other interests have been disclosed as required by the Companies Act 1993.

DISCIPLINARY ACTION TAKEN BY THE NZX OR THE ASX

Neither the NZX nor the ASX has taken any disciplinary action against the company during the financial year ended 31 March 2015.

ENTRIES RECORDED IN THE INTERESTS REGISTER

Except for disclosures made elsewhere in this Annual Report, there have been no entries in the company's interests register made during the year ended 31 March 2015.

No entries were made in the interests register of any subsidiary of the company during the year ended 31 March 2015.

CREDIT RATING

The company does not currently have an external credit rating status.

DONATIONS

Please refer to Note 5 of the Financial Statements.

ANNUAL SHAREHOLDERS' MEETING

The company's 2015 annual shareholders' meeting will be held at the Guineas Ballroom, Ellerslie Event Centre, Auckland, New Zealand on Thursday 27 August 2015 commencing at 2.00pm.

EMPLOYEE REMUNERATION

The Group operates in a number of countries where remuneration market levels differ widely. The offshore remuneration amounts are converted into New Zealand dollars. Of the employees noted in the table below, 49% are employed by the Group outside New Zealand. During the year 572 employees or former employees of the Group, not being directors of the Company, received remuneration and other benefits that exceeded NZ$100,000 in value as follows:

RENUMERATION	NUMBER OF EMPLOYEES
$	
100,000 - 110,000	113
110,001 - 120,000	97
120,001 - 130,000	81
130,001 - 140,000	52
140,001 - 150,000	54
150,001 - 160,000	39
160,001 - 170,000	28
170,001 - 180,000	22
180,001 - 190,000	11
190,001 - 200,000	11
200,001 - 210,000	7
210,001 - 220,000	8
220,001 - 230,000	13
230,001 - 240,000	3
240,001 - 250,000	5
250,001 - 260,000	6
260,001 - 270,000	1
270,001 - 280,000	1

RENUMERATION	NUMBER OF EMPLOYEES
$	
290,001 - 300,000	2
300,001 - 310,000	1
320,001 - 330,000	3
370,001 - 380,000	1
410,001 - 420,000	1
430,001 - 440,000	1
440,001 - 450,000	1
450,001 - 460,000	1
460,001 - 470,000	1
500,001 - 510,000	1
510,001 - 520,000	1
560,001 - 570,000	1
680,001 - 690,000	1
710,001 - 720,000	1
840,001 - 850,000	1
980,001 - 990,000	1
990,001 - 1,000,000	1

CORPORATIONS ACT 2001 (COMMONWEALTH) DISCLOSURES

The Board is not aware of any matter or circumstance that has occurred since the end of the financial year that has significantly affected or may significantly affect the operations of the company, the results of these operations or the state of affairs or the company in subsequent financial years.

The company's operations are not subject to a significant Australian environmental regulation under any law of the Commonwealth of Australia or of any State or Territory of Australia, however the Board believes that the company has adequate systems in place to manage its environmental obligations.

DISTRIBUTION OF SHAREHOLDERS AND HOLDINGS

SIZE OF SHAREHOLDING	NUMBER OF HOLDERS	%	NUMBER OF ORDINARY SHARES	%
1 to 1,000	4,446	22.34	2,239,092	0.40
1,001 to 5,000	9,289	49.39	25,369,248	4.55
5,001 to 10,000	3,178	15.97	23,004,489	4.12
10,001 to 50,000	2,184	10.98	41,572,333	7.45
50,001 to 100,000	132	0.66	8,981,354	1.61
100,001 and over	130	0.65	456,816,323	81.87
Total	**19,904**	**100.00**	**557,982,839**	**100.00**

The details set out above were as at 28 May 2015.

As disclosed in Note 19 of the Financial Statements, there were 10,977,219 options on issue to 397 employees and 1,697,450 performance share rights on issue to 374 employees as at 31 March 2015. The company only has one class of shares on issue, ordinary shares, and these shares are listed on the NZX Main Board and ASX.

There are no other classes of equity security currently on issue. The company's ordinary shares each carry a right to vote on any resolution at a meeting of shareholders. Holders of ordinary shares may vote at a meeting in person, or by proxy, representative or attorney. Voting may be conducted by voice, by show of hands, or poll. There are no voting rights attaching to options or performance share rights.

There were 568 shareholders holding less than a marketable parcel, as defined by ASX Listing Rules, of the company's ordinary shares, based on the closing market price as at 28 May 2015.

As at 28 May 2015 the company has not carried out any issues of securities approved for the purposes of Item 7 of section 611 of the Corporations Act.

LIMITATIONS ON THE ACQUISITION OF SHARES

The company is not subject to Chapters 6, 6A, 6B and 6C of the Australian Corporations Act 2001 (Commonwealth) dealing with the acquisition of shares (i.e. substantial holdings and takeovers).

Limitations on the acquisition of the securities imposed by the jurisdiction in which the company is incorporated (New Zealand) are:

(a) In general, securities in the company are freely transferable and the only significant restrictions or limitations in relation to the acquisition of securities are those imposed by New Zealand laws relating to takeovers, overseas investment and competition.

(b) The New Zealand Takeovers Code creates a general rule under which the acquisition of 20% or more of the voting rights in the company or the increase of an existing holding of 20% or more of the voting rights of the company can only occur in certain permitted ways. These include a full takeover offer in accordance with the Takeovers Code, a partial takeover offer in accordance with the Takeovers Code, an acquisition approved by an ordinary resolution, an allotment approved by an ordinary resolution, a creeping acquisition (in certain circumstances) or compulsory acquisition if a shareholder holds 90% or more of the shares of the company.

(c) The New Zealand Overseas Investment Act 2005 and Overseas Investment Regulations 2005 regulate certain investments in New Zealand by overseas persons. In general terms, the consent of the New Zealand Overseas Investment Office is likely to be required where an overseas person acquires shares in the company that amount to 25% or more of the shares issued by the company, or if the overseas person already holds 25% or more, the acquisition increases that holding.

(d) The New Zealand Commerce Act 1986 is likely to prevent a person from acquiring shares in the company if the acquisition would have, or would be likely to have, the effect of substantially lessening competition in the market.

CURRENT NZX WAIVERS

No waivers were sought from either of the NZX Main Board or ASX Listing Rules within the 12 month period preceding the date two months before the date of this Annual Report. During the same period the company relied on the following three waivers previously granted by the NZX to issue options under its share option plans, performance share rights under its performance share rights plan and shares under its share purchase plans:

(1) waiver from NZSX Listing Rule 7.1.10 and 7.1.16 in respect of the issue of options under the company's share options plans (granted 19 August 2011);

(2) waiver from NZSX Listing Rule 7.1.10, 7.1.16 and 8.1.7 in respect of the company's performance share rights plan (granted 7 August 2012); and

(3) waiver from NZSX Listing Rule 8.1.4 in respect of the issue of shares under the company's share purchase plan (granted 29 October 2007).

SUBSTANTIAL PRODUCT HOLDERS

According to notices given under the Securities Markets Act 1988 (which was replaced by the Financial Markets Conduct Act 2013 on 1 December 2014), the substantial product holders in ordinary shares (being the only class of listed voting securities) of the company and their relevant interests according to the substantial product holder file as at 31 March 2015 and 28 May 2015, were as follows:

SUBSTANTIAL PRODUCT HOLDER	DATE OF NOTICE	NUMBER OF ORDINARY SHARES	% OF ORDINARY SHARES ON ISSUE AS AT 31 MARCH 2015
The Capital Group Companies Inc	19 February 2014	35,608,934	6.38

The total number of ordinary shares (being the only class of listed voting securities) on issue in the company as at 31 March 2015 was 557,940,257.

SUBSTANTIAL PRODUCT HOLDER	DATE OF NOTICE	NUMBER OF ORDINARY SHARES	% OF ORDINARY SHARES ON ISSUE AS AT 28 MAY 2015
The Capital Group Companies Inc	18 May 2015	30,358,664	5.44

The total number of ordinary shares (being the only class of listed voting securities) on issue in the company as at 28 May 2015 was 557,982,839.

PRINCIPAL SHAREHOLDERS

The names and holdings of the twenty largest registered shareholders in the company as at 28 May 2015 were:

SHAREHOLDER	ORDINARY SHARES	%
New Zealand Central Securities Depository Limited	283,507,322	50.81
National Nominees Limited	28,654,673	5.14
J P Morgan Nominees Australia Limited	28,119,949	5.04
HSBC Custody Nominees (Australia) Limited	14,850,348	2.66
Custodial Services Limited – Number 3 Account	12,696,750	2.28
BNP Paribas Noms Pty Ltd	9,615,019	1.72
FNZ Custodians Limited	8,799,563	1.58
Custodial Services Limited – Number 2 Account	4,726,290	0.85
Citicorp Nominees Pty Limited	4,635,629	0.83
Custodial Services Limited – Number 4 Account	3,901,357	0.70
Investment Custodial Services Limited – C Account	3,782,702	0.68
Custodial Services Limited – Number 18 Account	3,358,581	0.60
Masfen Securities Limited	2,958,805	0.53
New Zealand Depository Nominee Limited	2,722,337	0.49
BNP Paribas Nominees Pty Ltd	2,592,987	0.46
Custodial Services Limited – Number 1 Account	2,194,320	0.39
RBC Investor Services Australia Nominees Pty Limited	1,823,375	0.33
Custodial Services Limited – Number 16 Account	1,444,965	0.26
FNZ Custodians Limited – DRP NZ Account	1,423,637	0.26
Woolf Fisher Trust Inc	1,400,000	0.25

New Zealand Central Securities Depository Limited (NZCSD) is a depository system which allows electronic trading of securities to members. As at 28 May 2015, the ten largest shareholdings in the company held through NZCSD were as follows:

SHAREHOLDER	ORDINARY SHARES	%
JPMorgan Chase Bank	48,180,502	8.63
HSBC Nominees (New Zealand) Limited	37,447,509	6.71
Citibank Nominees (NZ) Ltd	30,951,009	5.55
National Nominees Limited	28,654,673	5.14
JPMorgan Nominees Australia Limited	28,119,949	5.04
HSBC Nominees (New Zealand) Limited	27,832,589	4.99
National Nominees New Zealand Limited	25,564,641	4.58
Tea Custodians Limited	24,863,120	4.46
Accident Compensation Corporation	19,979,742	3.58
New Zealand Superannuation Fund Nominees Limited	17,714,988	3.17

DIRECTORS' SHAREHOLDINGS

Directors held interests in the following ordinary shares in the company as at 31 March 2015:

NAME	OWNERSHIP	ORDINARY SHARES
Tony Carter	Beneficial	69,242
	Non beneficial	642,043
Michael Daniell*	Beneficial	884,879
	Non beneficial	642,043
Roger France	Beneficial	39,480
Lindsay Gillanders	Beneficial	514,415
Arthur Morris	Beneficial	8,991
Donal O'Dwyer	Beneficial	54,549

*Michael Daniell also had a beneficial interest in 750,000 options issued under the 2003 Share Option Plan and a beneficial interest in 110,000 performance share rights issued under the Performance Share Rights Plan.

SHARE DEALINGS BY DIRECTORS

In accordance with Section 148(2) of the Companies Act 1993, the Board has received disclosures from the directors named below of acquisitions or dispositions of relevant interests in the company between 1 April 2014 and 31 March 2015, and details of those dealings were entered in the company's interests register. The particulars of such disclosures are:

Tony Carter

– is a director of Loughborough Investments Limited which was issued with:

(a) 911 ordinary shares, valued at $4.4924 per share, on 4 July 2014 under the company's dividend reinvestment plan; and

(b) 569 ordinary shares, valued at $6.0532 per share, on 19 December 2014 under the company's dividend reinvestment plan.

– is a trustee and beneficiary of the Antony Carter Family Trust No 2 which was issued with:

(a) 68 ordinary shares, valued at $4.4924 per share, on 4 July 2014 under the company's dividend reinvestment plan; and

(b) 43 ordinary shares, valued at $6.0532 per share, on 19 December 2014 under the company's dividend reinvestment plan.

Michael Daniell

– is a trustee and beneficiary of the Daniell Family Trust which was issued with 10,993 ordinary shares, valued at $4.4922 per share, on 4 July 2014 under the company's dividend reinvestment plan.

– cancelled 160,000 options and in return was issued 24,320 ordinary shares on 4 June 2014 at an average value of $4.5794 per share.

– cancelled 100,000 options and in return was issued 43,340 ordinary shares on 24 November 2014 at an average value of $5.7595 per share.

– cancelled 100,000 options and in return was issued 44,561 ordinary shares on 23 December 2014 at an average value of $6.2711 per share.

– was issued with the following shares under the company's dividend reinvestment plan:

(a) 389 ordinary shares (valued at $4.4924 per share) on 4 July 2014; and

(b) 629 ordinary shares (valued at $6.0532 per share) on 19 December 2014.

– was granted 150,000 options on 28 August 2014 for nil consideration, convertible into 150,000 shares in accordance with the terms of the 2003 Share Option Plan.

– was issued with 50,000 performance share rights on 28 August 2014 for nil consideration in accordance with the Performance Share Rights Plan.

Arthur Morris

– is a trustee and beneficiary of the Niloc Trust which was issued with:
  - (a) 127 ordinary shares, valued at $4.4924 per share, on 4 July 2014 under the company's dividend reinvestment plan.
  - (b) 79 ordinary shares, valued at $6.0532 per share, on 19 December 2014 under the company's dividend reinvestment plan.

Donal O'Dwyer

– is a trustee and beneficiary of the Dundrum Super Fund which was issued with:
  - (a) 829 ordinary shares, valued at $4.4924 per share, on 4 July 2014 under the company's dividend reinvestment plan.
  - (b) 518 ordinary shares, valued at $6.0532 per share, on 19 December 2014 under the company's dividend reinvestment plan.

STATUTORY DISCLOSURE

Subsidiary Company Directors

Section 211(2) of the Companies Act 1993 requires the company to disclose, in relation to its subsidiaries, the total remuneration and value of other benefits received by directors and former directors, and particulars of entries in the interests registers made during the year ended 31 March 2015.

Other than Fisher & Paykel Healthcare Employee Share Purchase Trustee Limited, of which Tony Carter is a director, no subsidiary has directors who are not full-time employees of the Group. The remuneration and other benefits of such employees (received as employees) totalling $100,000 or more during the year ended 31 March 2015 are included in the relevant bandings for remuneration disclosed on page 92 of this Annual Report.

No employee of the Fisher & Paykel Healthcare Group appointed as a director of Fisher & Paykel Healthcare Corporation Limited or its subsidiaries receives or retains any remuneration or other benefits in their capacity as a director.

The persons who held office as directors of subsidiary companies at 31 March 2015 are as follows:

Fisher & Paykel Healthcare Limited (NZ)
Michael Daniell, Lewis Gradon, Paul Shearer, Tony Barclay

Fisher & Paykel Healthcare Properties Limited (NZ)
Michael Daniell, Lewis Gradon, Paul Shearer, Tony Barclay

Fisher & Paykel Healthcare Treasury Limited (NZ)
Michael Daniell, Lewis Gradon, Paul Shearer, Tony Barclay

Fisher & Paykel Healthcare Asia Limited (NZ)
Michael Daniell, Lewis Gradon, Paul Shearer, Tony Barclay

Fisher & Paykel Healthcare Asia Investments Limited (NZ)
Michael Daniell, Lewis Gradon, Paul Shearer, Tony Barclay

Fisher & Paykel Healthcare Americas Investments Limited (NZ)
Michael Daniell, Lewis Gradon, Paul Shearer, Tony Barclay

Fisher & Paykel Healthcare Employee Share Purchase Trustee Limited (NZ)
Tony Carter, Michael Daniell, Tony Barclay

Fisher & Paykel Healthcare Pty Limited (Australia)
Michael Daniell, Lewis Gradon, Paul Shearer, David Boyle

Fisher & Paykel do Brasil Ltda (Brazil)
Brazilian law does not require directors. Decision making authority lies with the directors of its shareholders.

Fisher & Paykel Healthcare Limited (Canada)
Michael Daniell, Paul Shearer, Justin Callahan

Fisher & Paykel Healthcare (Guangzhou) Limited (China)
Michael Daniell, Paul Shearer, David Boyle, Zhiping Hou

Fisher & Paykel Healthcare SAS (France)
Michael Daniell, Paul Shearer, Patrick McSweeny, Ian Hopkinson

Fisher & Paykel Holdings GmbH (Germany)
Ian Hopkinson

Fisher & Paykel Healthcare GmbH & Co KG (Germany)
Ian Hopkinson, Peter Spoljaric

Fisher & Paykel Verwaltungsgesellschaft GmbH (Germany)
Ian Hopkinson, Peter Spoljaric

Fisher & Paykel Healthcare Limited (Hong Kong)
Michael Daniell, Paul Shearer, David Boyle, Zhiping Hou

Fisher & Paykel Healthcare India Private Limited (India)
Michael Daniell, Paul Shearer, David Boyle, Thekkanathu Paily Bastin

Fisher & Paykel Healthcare K.K. (Japan)
Michael Daniell, Paul Shearer, Hideo Goto

Fisher & Paykel Healthcare S.A. de C.V. (Mexico)
Michael Daniell, Lewis Gradon, Lawrence Gibbons

Limited Liability Company Fisher & Paykel Healthcare (Russia)
Michael Daniell, Paul Shearer, Bryan Peterson, Anatoly Filippov

Fisher & Paykel Healthcare AB (Sweden)
Michael Daniell, Paul Shearer, Patrick McSweeny, Ian Hopkinson

Fisher Paykel Sağlık Ürünleri Ticaret Limited Şirketi (Turkey)
Michael Daniell, Paul Shearer

Fisher & Paykel Healthcare Limited (UK)
Michael Daniell, Paul Shearer, Nicholas Connolly, Patrick McSweeny

Fisher & Paykel Holdings Inc. (USA)
Michael Daniell, Paul Shearer, Tony Barclay

Fisher & Paykel Healthcare Inc. (USA)
Michael Daniell, Paul Shearer, Justin Callahan

No persons ceased to hold office as directors of subsidiary companies during the year ended 31 March 2015

DISCLOSURE OF INTERESTS BY DIRECTORS

In accordance with Section 140(2) of the Companies Act 1993, the directors named below have made a general disclosure of interest by a general notice disclosed to the Board and entered in the company's interests register. General notices given by directors which remain current as at 31 March 2015 are as follows:

Tony Carter

Chairman of:
Air New Zealand Limited
Blues Management Limited

A director of:
Fletcher Building Limited
ANZ Bank New Zealand Limited
Loughborough Investments Limited
Avonhead Mall Limited
Fisher & Paykel Healthcare Employee Share Purchase Trustee Limited

A shareholder of:
Loughborough Investments Limited Avonhead Mall Limited

A trustee of:
Antony Carter Family Trust No 2
Foodstuffs Auckland Perpetuation Trust
Foodstuffs Auckland Protection Trust
Maurice Carter Charitable Trust
Tony and Frances Carter Family Trust

Advisor to:
Capital Solutions Limited

Michael Daniell

A director of:
Fisher & Paykel Healthcare Employee Share Purchase Trustee Limited
Other company subsidiaries as listed in the section 'Subsidiary Company Directors' in this Annual Report

A member of:
Council of the University of Auckland

Roger France

Chairman of:
Tappenden Holdings Limited
Governance Board of Deep South National Science Challenge
Governance Board of Sustainable Seas National Science Challenge (Acting Chairman)

A director of:
Air New Zealand Limited
Tappenden Management Limited
Orion Health Group Limited
Southern Cross Medical Care Society

A trustee of:
Dilworth Trust Board
The University of Auckland Foundation
France Family Trust

Lindsay Gillanders

Chairman of:
Auckland Packaging Company Limited

A director of:
LRS Management Limited
Rangatira Limited

Geraldine McBride

A director of:
National Australia Bank Limited
Sky Network Television Limited
MyWave Holdings Limited

Donal O'Dwyer

Chairman of:
Atcor Medical Pty Limited

A director of:
Cochlear Limited
Mesoblast Limited

DIRECTORS' AND OFFICERS' INSURANCE AND INDEMNITY

The Group has arranged, as provided for under the company's Constitution, policies of directors' and officers' liability insurance which, with a Deed of Indemnity entered into with all directors, ensures that generally directors will incur no monetary loss as a result of actions undertaken by them as directors. Certain actions are specifically excluded, for example, the incurring of penalties and fines which may be imposed in respect of breaches of the law.

USE OF COMPANY INFORMATION

There were no notices from directors of the company requesting to use company information received in their capacity as directors which would not otherwise have been available to them.

GROUP STRUCTURE

All subsidiary companies in the Fisher & Paykel Healthcare group (detailed below) are ultimately 100% owned by Fisher & Paykel Healthcare Corporation Limited.

Fisher & Paykel Healthcare Corporation Limited* Owns:

Fisher & Paykel Healthcare Limited (NZ)*

Fisher & Paykel Healthcare Pty Limited (Australia)*

Fisher & Paykel Healthcare Treasury Limited (NZ)*

Fisher & Paykel Healthcare Employee Share Purchase Trustee Limited (NZ)

Fisher & Paykel Healthcare Limited (UK)

Fisher & Paykel Holdings Inc. (USA)

Fisher & Paykel do Brasil Ltda (Brazil)

Fisher & Paykel Healthcare (Guangzhou) Limited (China)

Fisher & Paykel Healthcare Asia Limited (NZ)

Fisher & Paykel Healthcare Americas Investments Limited (NZ)

Fisher & Paykel Healthcare Limited (Canada)

Fisher & Paykel Healthcare Limited* (NZ) Owns:

Fisher & Paykel Healthcare Properties Limited (NZ)*

Fisher & Paykel Healthcare Asia Limited (NZ) Owns:

Fisher & Paykel Healthcare Asia Investments Limited (NZ)

Fisher & Paykel Healthcare Asia Investments Limited (NZ) Owns:

Fisher & Paykel Healthcare India Private Limited (India)

Fisher & Paykel Healthcare K.K. (Japan)

Fisher & Paykel Healthcare Limited (Hong Kong)

Fisher & Paykel Healthcare Americas Investments Limited (NZ) Owns:

Fisher & Paykel Healthcare S.A. de C.V. (Mexico)

Fisher & Paykel Healthcare Limited (UK) Owns:

Fisher & Paykel Healthcare SAS (France)

Fisher & Paykel Holdings GmbH (Germany)

Fisher & Paykel Healthcare AB (Sweden)

Fisher Paykel Sağlık Ürünleri Ticaret Limited Şirketi (Turkey)

Limited Liability Company Fisher & Paykel Healthcare (Russia)

Fisher & Paykel Holdings Gmbh (Germany) Owns:

Fisher & Paykel Healthcare GmbH & Co KG (Germany)

Fisher & Paykel Verwaltungsgesellschaft GmbH (Germany)

Fisher & Paykel Holdings Inc. (USA) Owns:

Fisher & Paykel Healthcare Inc. (USA)

* Companies Operating Under a Negative Pledge Deed

DIRECTORS' DETAILS

The persons holding office as directors of Fisher & Paykel Healthcare Corporation Limited at any time during, or since the end of, the year ended 31 March 2015 are as follows:

Tony Carter	Chairman, Non-Executive, Independent
Michael Daniell	Managing Director and Chief Executive Officer
Roger France	Non-Executive, Independent
Lindsay Gillanders	Non-Executive, Independent
Geraldine McBride	Non-Executive, Independent
Arthur Morris	Non-Executive, Independent
Donal O'Dwyer	Non-Executive, Independent

EXECUTIVES' DETAILS

Michael Daniell	Managing Director and Chief Executive Officer
Lewis Gradon	Senior Vice President – Products & Technology
Paul Shearer	Senior Vice President – Sales & Marketing
Tony Barclay	Chief Financial Officer and Company Secretary
Deborah Bailey	Vice President – Human Resources
Winston Fong	Vice President – Information & Communication Technology
Paul Andreassi	Vice President – Quality & Regulatory

DIRECTORY

In New Zealand:
The details of the company's principal administrative and registered office are:

Physical address: 15 Maurice Paykel Place, East Tamaki, Auckland 1061, New Zealand

Telephone: +64 9 574 0100

Facsimile: +64 9 574 0158

Postal address: PO Box 14348, Panmure, Auckland 1741, New Zealand

Internet address: www.fphcare.com

Email: investor@fphcare.co.nz

In Australia:
The details of the company's registered office are:

Physical address: 36–40 New Street, Ringwood, Victoria 3134, Australia

Telephone: +61 3 9879 5022

Facsimile: +61 3 9879 5232

Postal address: PO Box 167, Ringwood, Victoria 3134, Australia

SHARE REGISTRAR

In New Zealand:
Link Market Services Limited

Physical address: Level 7, Zurich House, 21 Queen Street, Auckland, New Zealand

Postal address: PO Box 91976, Auckland 1142, New Zealand

Facsimile: +64 9 375 5990

Investor enquiries: +64 9 375 5998

Internet address: www.linkmarketservices.co.nz

Email: operations@linkmarketservices.co.nz

In Australia:
Link Market Services Limited

Physical address: Level 12, 680 George Street, Sydney, NSW 2000, Australia

Postal address: Locked Bag A14, Sydney South, NSW 1235, Australia

Facsimile: +61 2 9287 0303

Investor enquiries: +61 2 8280 7111

Internet address: www.linkmarketservices.com.au

Email: registrars@linkmarketservices.com.au

STOCK EXCHANGES

The Company's ordinary shares are listed on the NZX Main Board and the ASX.

INCORPORATION

The Company was incorporated in New Zealand.

GLOSSARY

Constant Currency	is a way to measure performance of a company without any distortion from changes in foreign exchange rates
COPD	Chronic Obstructive Pulmonary Disease
CPAP	Continuous Positive Airway Pressure
DRP	Dividend Reinvestment Plan
FDA	United States Food & Drug Administration
OSA	Obstructive Sleep Apnea
R&D	Research and Development
RAC	Respiratory and Acute Care
SG&A	Sales, General and Administrative
QS&R	Quality, Safety & Regulatory

Fisher & Paykel Healthcare is a world leader in medical devices and systems for use in respiratory and acute care, surgery and in the treatment of obstructive sleep apnea.

www.fphcare.com