

Annual Review 2015

Fisher & Paykel
HEALTHCARE

Dear Shareholders

The 2015 financial year was 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 a result of robust growth across both our major product groups, with operating revenue of \$672.3 million also a record for our company.

RECORD NET PROFIT AFTER TAX NZ\$113.2 MILLION

↑ 17%

TOTAL DIVIDEND FOR THE YEAR
13.8CPS FULLY IMPUTED

↑ 11%

OPERATING PROFIT
NZ\$170.1 MILLION

↑ 19%

GROSS MARGIN IMPROVEMENT

252
BASIS POINTS

RECORD OPERATING REVENUE
NZ\$672.3 MILLION

↑ 8%

RAC REVENUE GROWTH
NZ\$368.2 MILLION

↑ 9%

OSA REVENUE GROWTH
NZ\$291.1 MILLION

↑ 8%

Tony Carter, Chairman



We have 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.

Innovation is essential to our success. Our aim is to lead the way in the development of world-leading medical devices and technologies in RAC and OSA. We are one of New Zealand's largest private investors in R&D (\$65 million in FY15), with the vast majority of this work carried out in our facilities in Auckland, New Zealand.

Michael Daniell,
Managing Director and
Chief Executive Officer



We believe that our company is well positioned to continue executing its growth strategy and strengthening its position as a global leader. Our markets are growing as we identify new clinical applications for our RAC products and as more people are diagnosed with OSA.

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.

Both our major product groups delivered their strongest results yet, with revenue growth estimated at about double the market growth. Respiratory and acute care (RAC) revenue was NZ\$368.2 million, up 9%, and obstructive sleep apnea (OSA) revenue was NZ\$291.1 million, up 8%.

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.

The continuous improvement of our OSA products to meet the needs of both patients and home healthcare providers is an essential factor in our revenue growth. Masks are a

key component for the successful delivery of CPAP therapy used to treat OSA, and an important focus for our R&D teams. We have developed innovative technologies to improve the comfort and ease of use, and these have been a major factor in our escalating OSA sales.

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

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.

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.

A handwritten signature in black ink, appearing to read 'Tony Carter'.

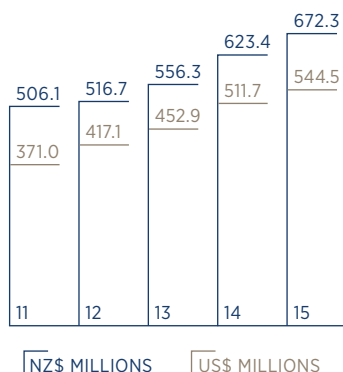
Tony Carter, Chairman

A handwritten signature in black ink, appearing to read 'Michael Daniell'.

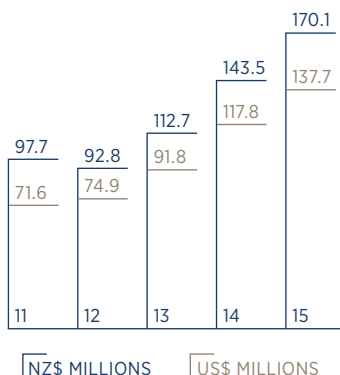
Michael Daniell, Managing Director
and Chief Executive Officer

Results in Brief

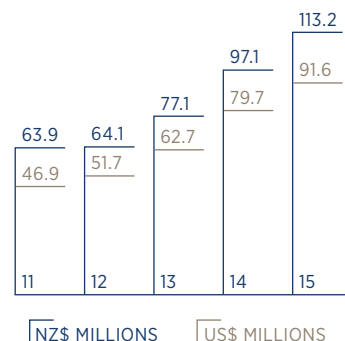
OPERATING REVENUE



OPERATING PROFIT

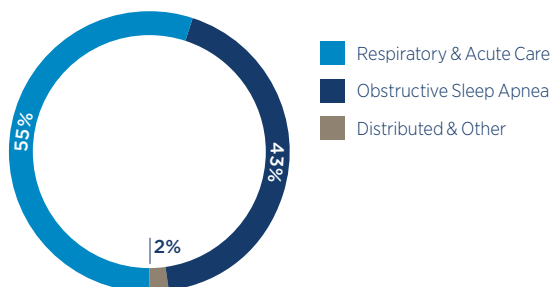


PROFIT AFTER TAX*

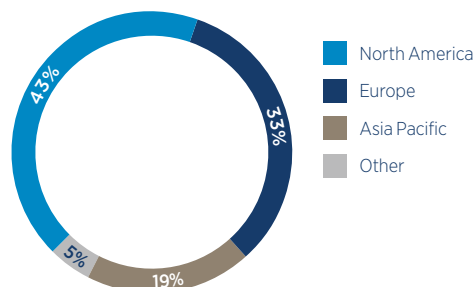


*Prior to one-off non-cash deferred tax charges (2011)

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

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 win 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 INFIZ Awards

FPH wins Market Leaders Best Corporate Communicator at INFIZ Awards

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.

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

Directory

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