Consistent Growth Strategy

• Innovative devices which improve care and outcomes
• Increase value per patient
• New patient groups
• International expansion
Financial Highlights

- Operating revenue
  - US$163M +23%
  - NZ$241M +12%

- Operating profit
  - US$61M +25%
  - NZ$90M +14%

- Operating margin 37.3%

- R&D investment increased to 6.7% of revenue
Sales by Product Group

- Respiratory Humidification: 49%
- OSA: 40%
- Warming & Neonatal: 8%
- Distributed: 3%
Sales by Region

North America 43%
Europe 31%
Asia Pacific 21%
Other 5%
Expanding International Presence
Obstructive Sleep Apnea
Obstructive Sleep Apnea

- Revenue grew 34% to US$66M
- Masks and flow generators grew 70%
- OSA treatment market continues to expand rapidly 15-20% p.a.
New Flow Generators & Masks

• Introduced new flow generator ranges SleepStyle™ 200 and 600 series
• ThermoSmart technology to increase humidity, improve comfort and acceptance
• New masks well received

FlexiFit™ 431
Full Face Mask

Infinity™ 481
Direct Nasal Mask
Respiratory Humidification
Respiratory Humidification

- Revenue growth 16% to US $79M
- Continuing rapid growth of breathing circuits
- Increasing value per patient
- Evaqua breathing circuit technology well received
Expanding Opportunities

• **MR880 Humidification System**
  – Designed for a range of new patient groups, e.g. O₂ therapy, COPD, xerostomia.

• **MR860 Laparoscopic Humidification System**
  – Humidifies the dry CO₂ gas used in ‘keyhole’ surgery.
  – Improves outcomes by: less post operative pain, less time in recovery room, faster return to normal activities, reduced risk of complications.
Neonatal

• Revenue growth 31% to US$13M
• Warmers, neonatal breathing systems grew strongly
• Increasing proportion of recurring revenue
Capacity Expansion

- NZ$60M investment to accommodate growth
- On target for completion mid-2006
First Half Outlook

- **USD Revenue growth approx 25%**
  - US$ 93 – 95M
  - NZ$ 132 – 135M
- **Operating Margin % mid 30s**