

News Release

STOCK EXCHANGE LISTINGS: NEW ZEALAND (FPH), AUSTRALIA (FPH)

FISHER & PAYKEL HEALTHCARE UPDATES EARNINGS GUIDANCE AND ANNOUNCES NEW BUILDING PROGRAMME

Auckland, New Zealand, 23 August 2016 - Fisher & Paykel Healthcare Corporation Limited (NZX:FPH, ASX:FPH) announced today that it has updated its earnings guidance for the financial year ending 31 March 2017. The company also announced the commencement of a new building programme in New Zealand and Mexico.

Trading has been strong in the first five months of the financial year. At current exchange rates the company expects operating revenue for the first half of the 2017 financial year to be approximately NZ\$420 million and net profit after tax to be approximately NZ\$76 million, or about 23% above the first half last year.

The full year guidance provided in May, based on an NZ:US exchange rate of 68 cents, was for operating revenue to be approximately NZ\$900 million and net profit after tax to be approximately NZ\$165 to NZ\$170 million. There has been a firming of the NZ dollar since May. Assuming an NZ:US exchange rate of approximately 72 cents for the balance of the year, the company now expects full year net profit after tax to be approximately NZ\$165 million, at the lower end of the previous guidance range, and operating revenue to be approximately NZ\$880 million.

“The year has started very well and our strong revenue growth is driven by demographic trends and our ability to design innovative products that respond to the needs of patients and clinicians,” said Lewis Gradon, Managing Director and CEO of Fisher & Paykel Healthcare. “We have experienced increasing adoption of our products across both our hospital and homecare product groups. In particular, we have achieved strong growth with our Optiflow™ nasal high flow therapy and our range of OSA masks.”

The company also announced that it will commence a building programme in New Zealand and Mexico. “In New Zealand, we have begun planning for the construction of a fourth building on our Auckland site with earthworks expected to begin this summer. In Tijuana, Mexico, we are finalising the terms for the purchase of a greenfields site to support manufacturing growth over the next decade. We expect to spend in the vicinity of NZ\$200 million over the next four to five years on these building projects,” said Mr Gradon.

The company is also now embarking on its most exciting period of new product releases. Last week, it announced a new flagship product, the F&P 950™ heated humidification system and today two innovative new masks were released. “This is one of our most productive periods in terms of product launches,” said Mr Gradon. “We consistently invest into R&D, and we are seeing some exciting results coming out of that.”

The company has provided the attached update on the company's foreign exchange hedging position as at today's date.

About Fisher & Paykel Healthcare

Fisher & Paykel Healthcare is a leading designer, manufacturer and marketer of products and systems for use in respiratory care, acute care, surgery and the treatment of obstructive sleep apnea. The company's products are sold in over 120 countries worldwide. For more information about the company, visit our website www.fphcare.com.

Ends

Contact: Marcus Driller, General Manager Corporate on +64 9 574 0110

Foreign Exchange Hedging Position

The hedging position for our main exposures, the US dollar and Euro, as at today's date is:

	Year to 31 March				
	2017	2018	2019	2020	2021
USD % cover of expected exposure	89%	42%	24%	22%	18%
USD average rate of cover	0.693	0.659	0.643	0.626	0.614
EUR % cover of expected exposure	92%	51%	7%	0%	0%
EUR average rate of cover	0.581	0.576	0.571	NA	NA