

News Release

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

FISHER & PAYKEL HEALTHCARE UPGRADES GUIDANCE AND ANNOUNCES NEW NEONATAL PRODUCT

Auckland, New Zealand, 23 August 2018 - Fisher & Paykel Healthcare Corporation Limited announced that it has upgraded its earnings guidance for the financial year ending 31 March 2019 at its Annual Shareholders' Meeting today. The company also announced that it has launched a new neonatal respiratory care device, the F&P 950™ Heated Humidification System.

The 2019 financial year has started strongly. At current exchange rates, the company expects operating revenue for the first half of the 2019 financial year, ending 30 September 2018, to be approximately NZ\$510 million and net profit after tax to be approximately NZ\$95 million.

The full year guidance previously provided in May, based on a NZ:US exchange rate of 69.5 cents, was for operating revenue to be approximately NZ\$1.05 billion and net profit after tax to be approximately NZ\$210 million.

There has since been a weakening of the NZ dollar. Assuming a NZ:US exchange rate of approximately 67 cents for the balance of the year, the company expects full year operating revenue to be approximately NZ\$1.07 billion and net profit after tax to be approximately NZ\$215 million.

"The year has started well," said Managing Director and CEO Lewis Gradon. "We are building on the strong growth we achieved last year, and are on track to pass 1 billion NZ dollars in revenue this year. As 99% of our revenue is generated outside of New Zealand, our NZ dollar results can be influenced by exchange rate movements. This year, the New Zealand dollar has weakened against a number of other currencies, which is the major contributor to the upgrade in our earnings guidance.

"We are also pleased to announce the release of the neonatal breathing circuits for the F&P 950 Humidification System, which follows on from the successful launch of the adult system in 2016. The feedback we received from nurses during clinical trials has been overwhelmingly positive, principally in terms of ease of use and performance. In particular, the introduction of Thermadapt technology, in which the circuit automatically adjusts its temperature according to the baby's current environmental condition – ambient, warmer or incubator – is a stand out feature that makes it very easy for nurses to set up and operate. This is a great product and we are pleased to add it to our product range."

The neonatal circuits for the F&P 950 System are currently available in New Zealand and Australia, and will be rolled out to other countries over the next few years.

The company has provided the Chairman's speech, CEO's speech and slide presentation for the 2018 Annual Shareholders' Meeting to the NZX and ASX today, and provided an update (below) on the company's foreign exchange hedging position as at today's date. The Annual Shareholders' Meeting is scheduled to begin at 2:00pm NZST, 12:00pm AEST (10:00pm USEDT) and will be broadcast simultaneously over the internet. To view the webcast, go to: www.virtualmeeting.co.nz/fph18.

ENDS

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.

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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						
	2019	2020	2021	2022	2023	2024	2025-2027
USD % cover of expected exposure	95%	70%	40%	-	-	-	-
USD average rate of cover	0.681	0.668	0.652	-	-	-	-
EUR % cover of expected exposure	90%	65%	45%	35%	30%	15%	5%
EUR average rate of cover	0.606	0.572	0.542	0.522	0.508	0.505	0.473

Note: Hedging cover percentages have been rounded to the nearest 5%