

## News Release

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### **FISHER & PAYKEL HEALTHCARE LIFTS EARNINGS GUIDANCE, ANNOUNCES MEXICO MANUFACTURING EXPANSION**

Auckland, New Zealand, 18 February 2014 - Fisher & Paykel Healthcare Corporation Limited (NZSX:FPH, ASX:FPH) announced today that it had raised its earnings guidance and will expand its manufacturing facility in Tijuana, Mexico.

The company now expects net profit after tax to be approximately NZ\$97 million for the financial year ending 31 March 2014, assuming a continuation of current exchange rates. At its previous guidance update in November 2013, the company said it expected full year net profit to be in the range of NZ\$90 million to NZ\$95 million.

“Demand during the second half has been very encouraging, particularly for our Simplus, Eson and Pilairo Q masks, which are used for the treatment of OSA”, commented Michael Daniell, Fisher & Paykel Healthcare’s CEO.

“Operating margin has continued to improve as a result of product mix, operating efficiency gains and manufacturing at our Mexico facility”.

The company also announced that it will expand its available manufacturing area in Tijuana, Mexico.

The NZ\$4 million fit-out will increase the Mexico facility manufacturing area by two thirds and will accommodate the installation of additional manufacturing equipment over the next three years for products such as breathing systems and masks. The company expects the plant to be manufacturing approximately half of the company’s consumable product volume within three years.

“We have brought forward the expansion of the Tijuana facility 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”, said Mr Daniell.

“Our focus on medical devices which can improve the effectiveness and efficiency of care supports the increasing emphasis of health systems on patient outcomes. For example, in the United States later this year, Medicare will begin to penalise hospitals for excessive chronic respiratory patient readmissions. We believe that this will increase the demand for our products which can help to improve care in the home for patients with chronic respiratory disease”.

“We are also continuing to invest at our site in Auckland, with a number of exciting new product platforms and associated manufacturing lines currently being developed”, concluded Mr Daniell.

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#### **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 (RAC) and the treatment of obstructive sleep apnea (OSA). The company’s products are sold in more than 120 countries worldwide. For more information about the company visit [www.fphcare.com](http://www.fphcare.com).

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