Fisher & Paykel Healthcare
UBS Australian Healthcare Conference

Sydney - June 2013

Investment Highlights

- A leader in respiratory and OSA treatment devices
- Consistent growth strategy
- Estimated US$3.0+ billion and growing market opportunity
- High level of innovation
- Global presence
- Strong financial performance
  NZSX:FPH, ASX:FPH
Markets and Products

- Respiratory & Acute Care (RAC)
  - Heated Humidification
  - Respiratory Care
  - Neonatal Care
  - Surgery
- Obstructive Sleep Apnea (OSA)
  - Masks
  - Flow Generators
  - Humidifiers

Consumable and accessory products represent approx. 76% of core product revenue

Revenue by Product Group
12 months to 31 March 2013

FY2013 Second Half Highlights

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>CC¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit after tax</td>
<td>+22%</td>
<td>+54%</td>
</tr>
<tr>
<td>Operating revenue</td>
<td>+9%</td>
<td>+14%</td>
</tr>
<tr>
<td>Gross margin (bps increase)</td>
<td>+240</td>
<td>+330</td>
</tr>
<tr>
<td>RAC new applications revenue</td>
<td></td>
<td>+38%</td>
</tr>
<tr>
<td>OSA mask revenue</td>
<td></td>
<td>+16%</td>
</tr>
</tbody>
</table>

1. CC = constant currency
### FY13 Operating Results NZ$

**FY13 (12 months to 31 March 2013)**

<table>
<thead>
<tr>
<th>%Revenue</th>
<th>NZ$M</th>
<th>△PCP</th>
<th>△CC*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>100%</td>
<td>556.3</td>
<td>+8%</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>44.7%</td>
<td>248.4</td>
<td>+3%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>55.3%</td>
<td>307.8</td>
<td>+12%</td>
</tr>
<tr>
<td>Other income (R&amp;D grant)</td>
<td></td>
<td>2.4</td>
<td></td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>27.3%</td>
<td>151.8</td>
<td>+6%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>8.2%</td>
<td>45.7</td>
<td>+9%</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>35.5%</td>
<td>197.5</td>
<td>+7%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>20.3%</td>
<td>112.7</td>
<td>+21%</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>13.9%</td>
<td>77.1</td>
<td>+20%</td>
</tr>
</tbody>
</table>

1. CC = constant currency

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### Dividend

- **Final Dividend**
  - Gross 9.7 NZ cps = 7.0 cps + 2.7 cps imputation credit, NZ residents
  - Fully imputed
  - 1.235 cps non-resident supplementary dividend
  - DRP, 3% discount NZ/AU residents
- **Gross dividend yield, 17.2 cps, ~5.5%**
Hospital Cost Breakdown

Utilities, Depreciation: 9%
Drugs, Devices, Supplies & Food: 21%
Labour: 70%

Lower Care Intensity = Lower Cost

Mean Annual COPD-Related Medical, Pharmacy, and Total Costs by Care Intensity Cohort

Mean cost (2008 US$)

- Outpatient cohort
- Urgent outpatient cohort
- ED cohort
- Standard admission cohort
- ICU cohort
- All

Respiratory Humidification

- Normal airway humidification is bypassed or compromised during ventilation or O₂ therapy
- Mucociliary transport system operates less effectively
- Need to deliver gas at physiologically normal levels
  - 37 °C body core temperature
  - 44mg/L 100% saturated

Respiratory & Acute Care

- **F&P Evqua 2™**
- **F&P FreeMotion™**
- **F&P Optiflow™**
- **F&P AIRVO™2**
  - Invasive Ventilation
  - Non-Invasive Ventilation
  - O₂ Therapy
  - Humidity Therapy
Respiratory & Acute Care

- MR850 Respiratory Humidifier System
  - Invasive ventilation, oxygen therapy and non-invasive ventilation
- MR810 Respiratory Humidifier System
  - Entry level system
  - Ventilation and oxygen therapy
  - Optional heated breathing circuit
- AIRVO™ Flow Generator/Humidifier
  - Optiflow O₂ therapy
  - Humidity therapy
- Surgical opportunity (HumiGard™)
  - Laparoscopic insufflation
  - Open surgery

Single-use Respiratory Care Systems

- Single-use chambers
  - Patented auto filling MR290
- Single-use breathing circuits
  - Patented spiral heater wire
  - Proprietary Evaqua™ expiratory tube
  - Minimal condensation
  - Delivery of optimal humidity
- Breathing circuit components
  - Filters, catheter mount, weaning kit
- Interfaces
  - NIV masks, tracheostomy, Optiflow™, O₂ therapy
- Approx 30 system set-ups used per controller per year
- Consumable growth driving revenue growth
**Respiratory & Acute Care Update**

- **Operating revenue growth**
  - NZ$ +13%
  - Constant currency +18%
- **New applications consumables revenue growth (NIV, Optiflow™, AIRVO™, Surgical)**
  - NZ$ +32%
  - Constant currency +38%
  - New applications, 38% of RAC consumables revenue
- **New products roll-out**
  - Evaqua™ 2 breathing circuits
  - Optiflow Junior™ interface
  - Evatherm™ breathing circuit
  - AIRVO™ & myAIRVO 2 flow generator/humidifiers

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**Obstructive Sleep Apnea**

- Temporary closure of airway during sleep
- Can greatly impair quality of sleep, leading to fatigue; also associated with hypertension, stroke and heart attack
- Estimated US$2.5 billion + worldwide market, growing ~ 6-8%
- Potentially 50-60 million affected worldwide
- Most common treatment is CPAP (Continuous Positive Airway Pressure)
  - Key issue with CPAP is compliance
  - Humidification provides significant acceptance and compliance improvements
Revolutionary New Masks

• Comfortable
• Easy to fit
• Efficient
• Nasal Pillows
  – F&P Pilairo™
• Nasal
  – F&P Eson™
• Full Face
  – F&P Simplus™

• Stylish, Smart + Simplified
• Efficiently integrates with InfoUSB™ and InfoSmart™ Web
• Responsive pressure relief - SensAwake™
• ThermoSmart™ Humidifier Breathing Tube Technology
• Auto-adjusting CPAP
Efficient Compliance Reporting

Obstructive Sleep Apnea Update

- Operating revenue growth
  - NZ$ +6%
  - Constant currency +10%
- Mask revenue growth
  - Constant currency +16%
- New products roll-out
  - F&P Pilairo™
  - F&P Eson™
  - F&P Simplus™
  - F&P ICON™+
Research & Development

• 8.2% of operating revenue, NZ$45.7M¹

• Product pipeline includes:
  – Humidifier controllers
  – Masks
  – Respiratory consumables
  – Flow generators
  – Compliance monitoring solutions

• 107 US patents, 159 US pending, 442 ROW, 260 ROW pending¹

¹ at 31 March 2013

New Products

• Pilairo™ nasal pillows mask
• Eson™ nasal mask
• Simplus™ full face mask
• ICON™+ flow generator range
• Optiflow™ Junior oxygen therapy
• Evaqua™2 breathing circuits
• AIRVO™2 & myAIRVO™2 flow generator humidifiers
Manufacturing & Operations

- Vertically integrated
  - COGs improvements; Mexico, Lean, supply chain
- Ample capacity to grow

Auckland, New Zealand
- Two buildings: 51,000m² / 550,000ft² total
- 31,000m² building 3 completed November 2012
- 100 acres/40ha land

Tijuana, Mexico
- 18,000m²/200,000ft²
- Consumables capacity ramping up

Global Presence

- Direct/offices
  - Hospitals, home care dealers
  - Sales/support offices in North America, Europe, Asia, South America, Middle East and Australasia, 15 distribution centres
  - >550 staff in 30 countries
  - Ongoing international expansion
- Distributors
  - 100+ distributors worldwide
- Original Equipment Manufacturers
  - Supply most leading ventilator manufacturers
  - More than 120 countries in total

Revenue by Region
12 months to 31 March 2013
Consistent Growth Strategy

- Experts in humidification, respiratory care, and obstructive sleep apnea
- Provide innovative devices which can improve patient care and outcomes
  - Continuous product improvement
  - More devices for each patient
  - Serve more patient groups – Invasive ventilation, NIV, oxygen therapy, COPD, surgery, OSA
- Increase international presence