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Fisher & Paykel

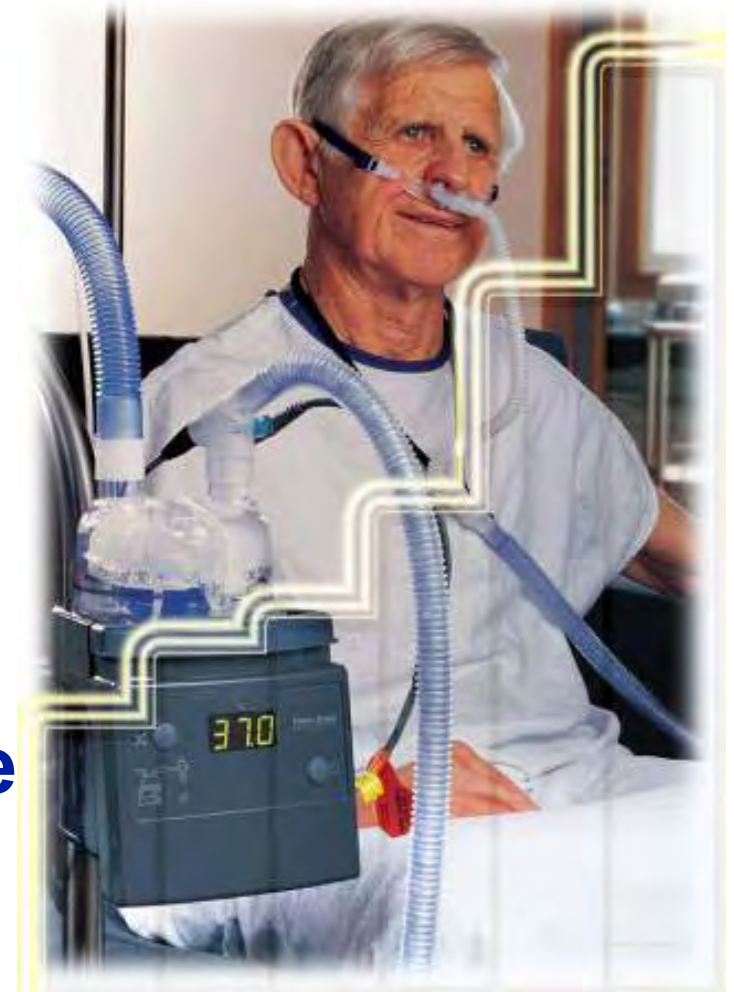
HEALTHCARE

ABN AMRO
New Zealand Day in Sydney
1 March 2006

Investment Highlights

- **Leading player in heated humidification systems**
- **Consistent growth strategy**
- **Estimated US\$2+ billion and growing market opportunity**
- **High level of innovation**
- **Global presence**
- **Strong financial performance**

NZSX:FPH, ASX:FPH



Operating Results US\$ H1 FY06

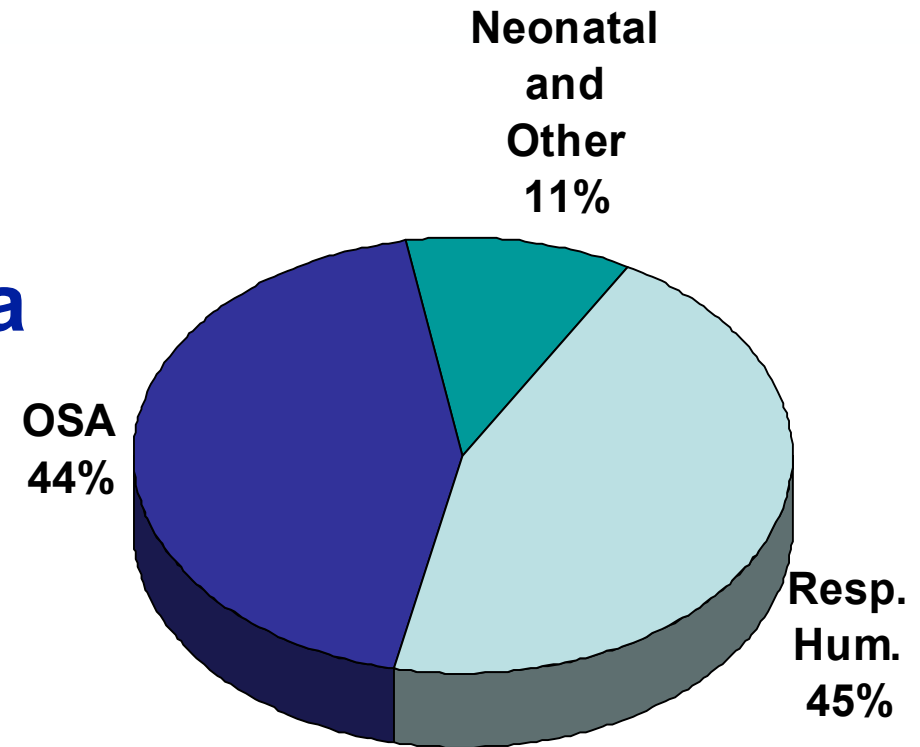
FY06 (6 mths)

	<u>%Revenue</u>	<u>US\$M</u>	<u>%Δpcp</u>
Operating revenue	100%	95.0	+27%
Gross profit	70.6%	67.1	+24%
SG&A	29.4%	28.0	+27%
R&D	6.2%	5.9	+12%
Total Operating Expenses	35.6%	33.9	+24%
Operating Profit	35.0%	33.3	+25%

Markets and Products

- **Respiratory humidification**
- **Obstructive sleep apnea**
- **Neonatal and other**

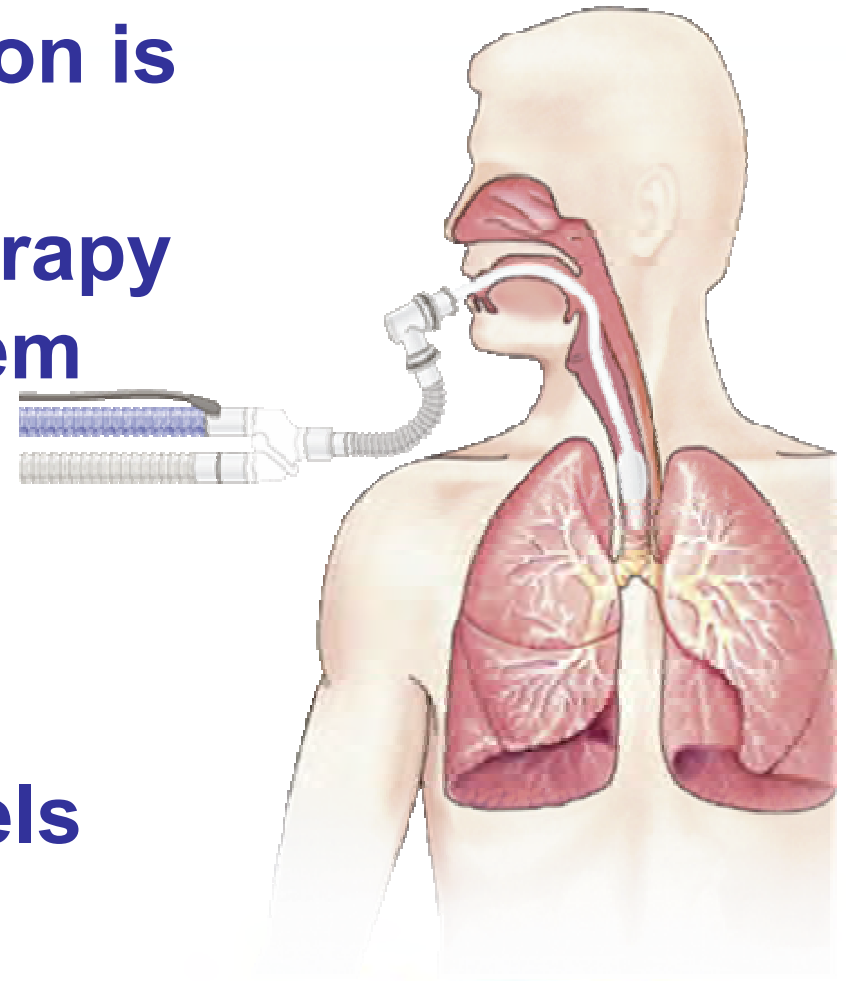
» **Consumable products represent approx. 58% of core product sales**



Revenue by Product
6 months to 30 September 2005

Respiratory Humidification

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



Market Opportunity

- **Estimated US\$350+ million market worldwide**
 - heated humidifier controllers
 - humidifier chambers
 - +
 - breathing circuits and components
 - +
 - unheated humidifiers
 - oxygen therapy supplies
- **Opportunity to move technology into O₂ therapy, COPD, xerostomia, insufflation**

Humidification Systems

- **MR850 Respiratory Humidifier System**
 - invasive ventilation, O₂ therapy and non-invasive ventilation
- **MR810 Respiratory Humidifier System**
 - entry level system
 - ventilation and O₂ therapy
 - optional heated breathing circuit
- **HC550 Respiratory Humidifier System**
 - invasive ventilation for home use



Single-use Components

- **Single-use chambers**
 - patented auto filling MR290
 - manual filling models
- **Single-use breathing circuits**
 - adult and neonatal
 - patented spiral heater wire
 - proprietary dry expiratory tube
 - less condensation
 - delivery of optimal humidity
- **Breathing circuit components**
 - filters
 - catheter mount
 - weaning kit
- **Approx 35 system set-ups used per controller per year**
- **Consumable growth driving increased revenue growth rate**



New



Expanding Opportunities

- **MR880 Humidification System**
 - Controller, chamber, breathing circuit, range of single patient use interfaces.
 - 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: reduced hypothermia, less post operative pain, less time in recovery room, faster return to normal activities, reduced risk of adhesions.
 - Potential high volume of consumables.

New



New



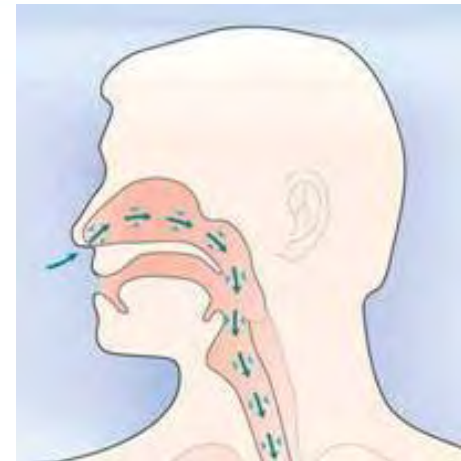
Respiratory Humidification H1 FY06

- 16% revenue growth US\$, 13% ex currency
- MR850 penetration driving increasing breathing circuit share
- Increasing value per patient
- Establishing sales of MR860 insufflation humidification system in NZ and Australia
- Positive response to MR880 system in NZ and Australia
- Additional consumables, COPD home system in R&D pipeline

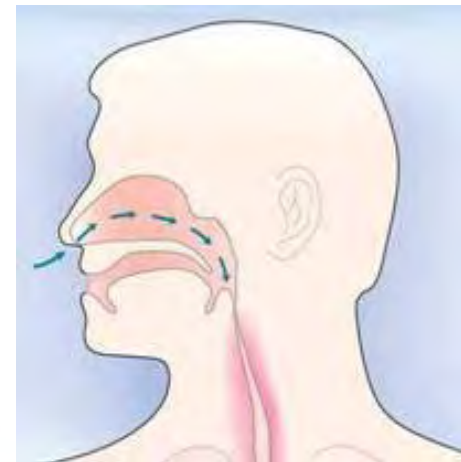


Obstructive Sleep Apnea

- 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\$1.2+ billion worldwide market, growing 15% - 20%
- 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



Normal breathing



Patient with OSA

CPAP Systems

- **HC150 Humidifier**
- **SleepStyle™ 200 Convertible and Integrated Flow Generator series**
 - greater pressure range, altitude adjustment, enhanced user ergonomics
 - patented Ambient Tracking™ plus auto-adjusting humidification technology
- **SleepStyle™ 600 Integrated Flow Generator series**
 - *ThermoSmart™* heated breathing tube technology
 - more humidity
 - reduced symptoms, increased comfort



Mask Range

Four interface categories:

- **FlexiFit™ Nasal Masks**
 - patented sliding attachment
 - FlexiFit™ technology
 - new 406 Petite model
- **FlexiFit™ Full Face Mask**
 - under chin seal
- **Oracle™ Oral Mask**
 - proprietary oral interface
- **Infinity™ Direct Nasal Mask**
 - very light



OSA H1 FY06

- 64% flow generator and mask revenue growth in US\$
- 42% total revenue growth in US\$
- Introduced non-invasive ventilation masks
- Introduced FlexiFit™ 406 Petite Nasal Mask
- Completed introduction of full range of HC230 and HC600 new generation flow generators
- Additional flow generators, masks in R&D pipeline

New



New



New



Neonatal and Warming

- **Radiant Warmers**
 - warmers required in delivery and NICU
 - precise and stable temperature control
 - opportunity in operating room
- **Infant CPAP System**
 - proprietary bubble CPAP, non-invasive, oscillating pressure
 - lower risk alternative to ventilation
 - high value consumable system
- **Infant Resuscitator System**
 - precise pressure control
 - consumable resuscitation kit



Neonatal and Warming H1 FY06

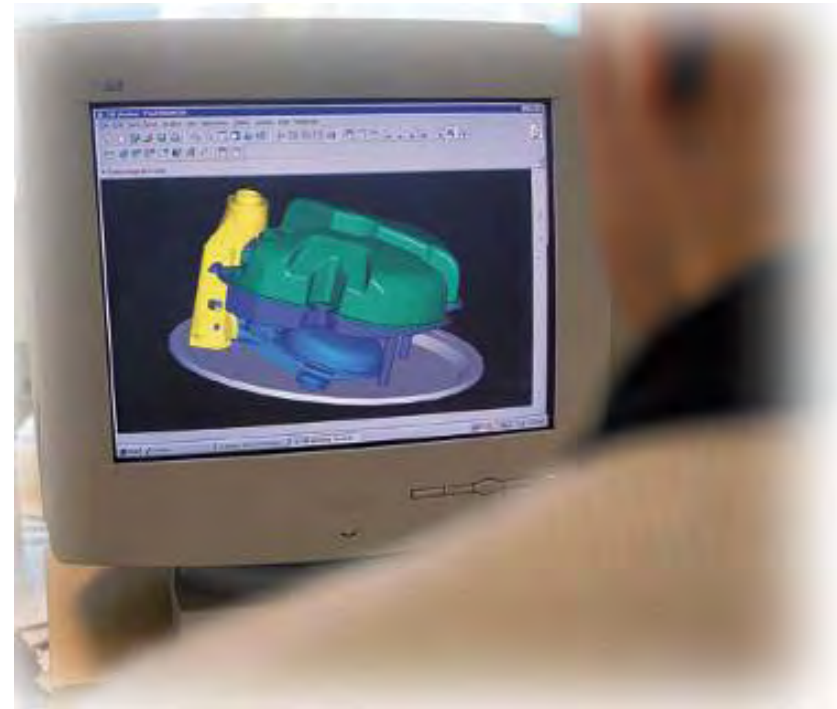
- **28% revenue growth in US\$,
25% ex currency**
- **Warmers, CPAP and
resuscitators all driving
growth**
- **Increasing proportion of
recurring revenue**
- **Range of resuscitation
masks to be introduced**



Research & Development

- 170 engineers, scientists, physiologists
- 6.2% of revenue H1 FY06
- Product pipeline includes
 - Flow generators
 - Masks
 - Humidification system for COPD therapy
 - Respiratory consumables
- Competitive NZ cost base
- 52 US patents, 70 US pending, 97 ROW, 234 ROW pending *

* at 31 Mar 2005



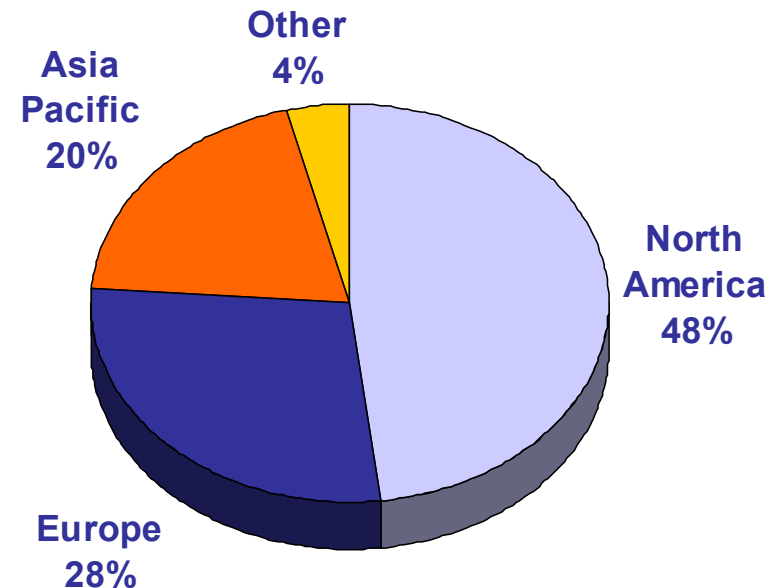
Manufacturing

- **Vertically integrated**
 - electronics assembly
 - injection moulding
 - motor assembly
- **ISO 9001; Class 100,000 controlled environment**
- **Ample capacity to grow**
 - 300,000ft² / 28,000m² facility
 - 100 acres / 40 ha
 - 23,000m² building due for completion mid 2006



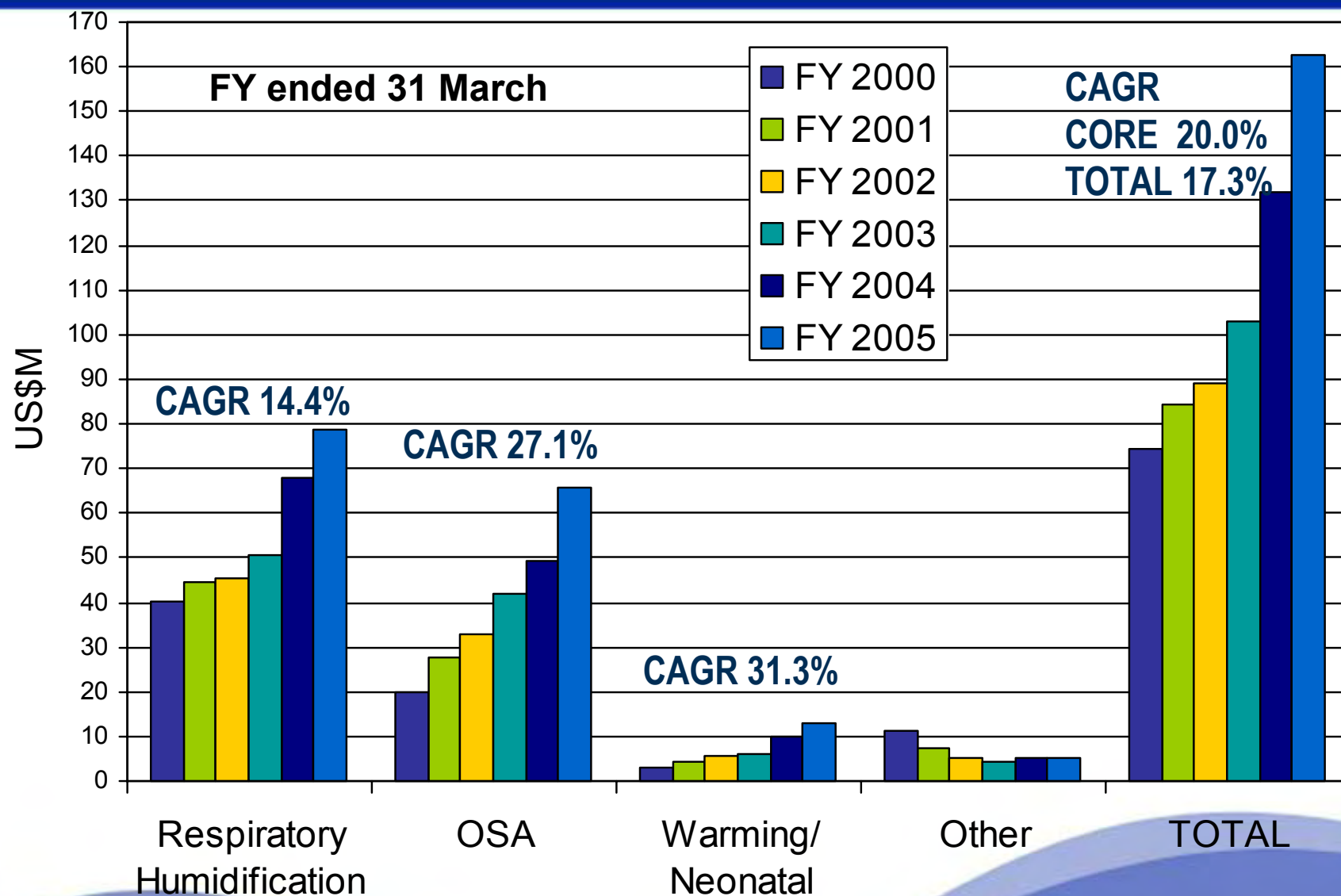
Global Presence

- **Direct**
 - hospitals, home care dealers
 - Sales/support offices in USA/Canada, UK/Ireland, France/Benelux/Italy/Spain, Germany/Austria/Switzerland, India, Japan, UAE, China, Australia and NZ - 270 staff
 - Ongoing international expansion
- **Distributors**
 - 100 distributors worldwide - 90 countries
- **Original Equipment Manufacturers**
 - supply most leading ventilator manufacturers



Revenue by Region
6 months to 30 September 2005

Revenue Growth US\$



Balance Sheet

- **NZ\$24M cash at 30 September 2005**
- **Investing in capacity expansion with construction of NZ\$60M second building**
- **NZ\$5.4cps FY06 interim dividend**
- **NZ\$27M ongoing share buyback; NZ\$15.3M completed to date.**
- **50% annualised pre-tax return on average funds employed FY06 (46% FY05)**

Growth Drivers

Consistent strategy:

- **Continue to improve existing product lines**
- **Develop complementary products/ consumables**
- **Target new medical applications**
 - e.g. COPD, O₂ therapy, insufflation
- **Increase international presence**
 - e.g. South America and Scandinavia