Investment Highlights

• A leader in respiratory and OSA treatment devices

• Consistent growth strategy

• Estimated US$5.0+ billion and growing market opportunity

• High level of innovation

• Global presence

• Strong financial performance
  NZSX:FPH, ASX:FPH
Markets & Products

- Respiratory & Acute Care (RAC)
  - Heated humidification
  - Respiratory care
  - Neonatal care
  - Surgery
- Obstructive Sleep Apnea (OSA)
  - Masks
  - Flow generators
  - Data management tools
  - Humidifiers

- Recurring items, consumables and accessories approximately 80% of core product revenue (H2 FY14: 78%)

Revenue by Product Group
6 months to 30 September 2014
Hospital Cost Breakdown

Medical devices

Other – includes labour, utilities, drugs, supplies, food, depreciation

Source: Estimates of Medical Device Spending in the United States, Donahoe, G and King, G, June 2014
Lower Care Intensity Equals Lower Cost

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

Respiratory Humidification

• Normal airway humidification is bypassed or compromised during ventilation or oxygen therapy

• Mucociliary transport system operates less effectively

• Need to deliver gas at physiologically normal levels
  – 37 °C body core temperature
  – 44mg/L 100% saturated
Therapies - Respiratory Care, Acute Care & Surgery

- Invasive ventilation
- Noninvasive ventilation
- Oxygen therapy
- Humidity therapy

Neonatal invasive ventilation
Neonatal noninvasive ventilation
Neonatal oxygen therapy
Surgical humidification

F&P Evaqua 2™
F&P FreeMotion™
F&P Optiflow™
F&P AIRVO™ 2

F&P Evaqua 2™
F&P Bubble CPAP
F&P Optiflow™ junior
F&P HumiGard™
Respiratory, Acute Care & Surgery - Hardware

- **850 respiratory humidifier system**
  - Invasive ventilation, oxygen therapy and non-invasive ventilation
- **810 respiratory humidifier system**
  - Entry level system
  - Ventilation and oxygen therapy
  - Optional heated breathing circuit
- **AIRVO 2 flow generator/humidifier**
  - Optiflow oxygen therapy
  - Humidity therapy
- **Surgical opportunity (HumiGard)**
  - Laparoscopic insufflation
  - Open surgery
Respiratory & Acute Care - Single Use Consumables

• Single-use chambers
  – Patented auto filling MR290
• Single-use breathing circuits
  – Patented spiral heater wire
  – Proprietary Evaqua 2 expiratory tube
  – Minimal condensation
  – Delivery of optimal humidity
• Breathing circuit components
  – Filters, catheter mount, weaning kit
• Interfaces
  – NIV masks, tracheostomy, Optiflow, oxygen therapy
• Approx 30 system set-ups used per controller per year
• Consumable growth driving revenue growth
Optiflow™ Therapy – Delivery Options

F&P 850™ System

F&P AIRVO™ 2
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 approximately 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 Masks

• Comfortable
• Easy to fit
• Efficient

F&P Simplus™
F&P Eson™
F&P Pilairo™ Q
Stylish, Smart + Simplified CPAP Range

- Efficiently integrates with InfoUSB and InfoSmart Web
- Responsive pressure relief - SensAwake
- ThermoSmart humidifier breathing tube technology
- Auto-adjusting CPAP
Efficient Compliance Reporting
Research & Development

• 9.9% of operating revenue, NZ$31.3M\(^1\)

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

• 115 US patents, 273 US pending, 486 ROW, 322 ROW pending

\(^1\) at 30 September 2014
Manufacturing & Operations

• Vertically integrated
  – COGs improvements; Mexico, Lean manufacturing, supply chain

• Ample capacity to grow

Auckland, New Zealand
– Three buildings: 82,000 m² / 885,000 ft² total
– 100 acres/40ha land

Tijuana, Mexico
– 18,000 m² / 200,000 ft²
– Manufacturing floor area increased by 66%
– 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
  - More than 600 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**
6 months to 30 September 2014

- North America 42%
- Europe 33%
- Asia Pacific 20%
- Other 5%
First Half Result Highlights

**H1 FY15** (6 months to 30 September 2014)

<table>
<thead>
<tr>
<th></th>
<th>△PCP</th>
<th>△CC¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>+8%</td>
<td>+64%</td>
</tr>
<tr>
<td>RAC &amp; OSA operating revenue</td>
<td>+6%</td>
<td>+14%</td>
</tr>
<tr>
<td>Gross margin (bps increase)</td>
<td>+212</td>
<td>+457</td>
</tr>
<tr>
<td>RAC new applications consumables revenue</td>
<td>+23%</td>
<td>+26%</td>
</tr>
<tr>
<td>OSA mask revenue</td>
<td>+15%</td>
<td>+20%</td>
</tr>
</tbody>
</table>

Recurring items, consumables and accessories approximately 80% of core product revenue (H2 FY14: 78%)

1. CC = constant currency
Innovative Products Driving Growth

• Respiratory & acute care (RAC)
  - Optiflow™ respiratory therapy system
  - Evaqua™2 breathing circuits
  - AIRVO™2 & myAIRVO™2 humidifiers with integrated flow generators

• Obstructive sleep apnea (OSA)
  - Simplus™ full face mask
  - Eson™ nasal mask
  - ICON™+ flow generator range
# H1 FY2015 Operating Results

H1 FY15 (6 months to 30 September 2014)

<table>
<thead>
<tr>
<th></th>
<th>%Revenue</th>
<th>NZ$M</th>
<th>ΔPCP</th>
<th>ΔCC¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>100%</td>
<td>317.4</td>
<td>+4%</td>
<td>+12%</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>39.4%</td>
<td>125.2</td>
<td>-1%</td>
<td>+2%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>60.6%</td>
<td>192.2</td>
<td>+8%</td>
<td>+22%</td>
</tr>
<tr>
<td>Other income (R&amp;D grant)</td>
<td></td>
<td>2.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>28.6%</td>
<td>90.8</td>
<td>+5%</td>
<td>+9%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>9.9%</td>
<td>31.3</td>
<td>+21%</td>
<td>+21%</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>38.5%</td>
<td>122.1</td>
<td>+9%</td>
<td>+12%</td>
</tr>
<tr>
<td>Operating profit</td>
<td>22.9%</td>
<td>72.6</td>
<td>+8%</td>
<td>+64%</td>
</tr>
<tr>
<td>Profit after tax</td>
<td>15.4%</td>
<td>48.9</td>
<td>+10%</td>
<td>+76%</td>
</tr>
</tbody>
</table>

1. CC = constant currency
Dividend

• Increased interim dividend by 7%:
  – Gross 8.06 NZ cps = 5.8 cps + 2.26 cps imputation credit, NZ residents
  – Fully imputed
  – 1.02 cps non-resident supplementary dividend
  – Dividend reinvestment plan available for NZ/AU residents, discount has been removed
Respiratory & Acute Care (RAC)

- Operating revenue growth
  - NZ$  +6%
  - Constant currency  +13%

- New applications consumables revenue growth
  (Noninvasive ventilation (NIV), Optiflow, AIRVO, Surgical)
  - NZ$  +17%
  - Constant currency  +26%

- New applications consumables
  45% of RAC consumables revenue,
  (42% H2 FY14)

- Optiflow oxygen therapy system – compelling health and economic benefits
Obstructive Sleep Apnea (OSA)

- Operating revenue growth
  - NZ$: +5%
  - Constant currency: +15%
- Mask revenue growth
  - Constant currency: +20%
- Total flow generator revenue growth
  - Constant currency: +8%
- Masks continue to take market share

H1 FY2015
## Balance Sheet & Cash Flow

**H1 FY15** (as at 30 September 2014)

<table>
<thead>
<tr>
<th></th>
<th>NZ$M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating cash flow</td>
<td>58.6</td>
</tr>
<tr>
<td>Capital expenditure</td>
<td>25.5</td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>15.7</td>
</tr>
<tr>
<td>Net debt</td>
<td>91.6</td>
</tr>
<tr>
<td>Total shareholders equity</td>
<td>414.3</td>
</tr>
<tr>
<td>Total assets</td>
<td>625.8</td>
</tr>
</tbody>
</table>

- Pre-tax return on equity (annualised) 33%
- Pre-tax return on total assets (annualised) 21%
- Gearing (debt/debt to equity) 18.6%
Foreign Exchange Hedging

- NZ$520m of hedging in place at 3 March 2015.
- Hedging position for our main exposures:

<table>
<thead>
<tr>
<th></th>
<th>Balance FY15</th>
<th>FY16</th>
<th>FY17</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD % cover of expected exposure</td>
<td>97%</td>
<td>75%</td>
<td>35%</td>
<td>1%</td>
</tr>
<tr>
<td>USD average rate of cover</td>
<td>0.78</td>
<td>0.75</td>
<td>0.73</td>
<td>0.66</td>
</tr>
<tr>
<td>EUR % cover of expected exposure</td>
<td>98%</td>
<td>78%</td>
<td>35%</td>
<td>0%</td>
</tr>
<tr>
<td>EUR average rate of cover</td>
<td>0.57</td>
<td>0.57</td>
<td>0.55</td>
<td>N/A</td>
</tr>
</tbody>
</table>

- Foreign exchange hedging gains contributed NZ$18m to operating profit during the first half.
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