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 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. 78% of core product revenue

Revenue by Product Group
6 months to 30 September 2013
Hospital Cost Breakdown

Source: Massachusetts Hospital Association, “An Update to Hospital Costs in Context Report” July 2010
Lower Care Intensity = 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 $O_2$ 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

Invasive Ventilation

Non-Invasive Ventilation

O₂ Therapy

Humidity Therapy

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 AIRVO™ 2
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
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 Q
- 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
Research & Development

- 8.5% of operating revenue, NZ$25.8M\(^1\)
- Product pipeline includes:
  - Humidifier controllers
  - Masks
  - Respiratory consumables
  - Flow generators
  - Compliance monitoring solutions
- 107 US patents, 159 US pending, 442 ROW, 260 ROW pending\(^2\)

\(^1\) at 30 September 2013
\(^2\) at 31 March 2013
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
6 months to 30 September 2013
H1 FY2014 Growth Highlights

H1 FY14 (6 months to 30 September 2013)

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>CC¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>+40%</td>
<td>+43%</td>
</tr>
<tr>
<td>Operating revenue</td>
<td>+14%</td>
<td>+12%</td>
</tr>
<tr>
<td>Gross margin (bps increase)</td>
<td>+413</td>
<td>+357</td>
</tr>
<tr>
<td>RAC new applications revenue</td>
<td>+30%</td>
<td>+29%</td>
</tr>
<tr>
<td>OSA mask revenue</td>
<td>+23%</td>
<td>+19%</td>
</tr>
</tbody>
</table>

1. CC = constant currency
New Products

- **ICON+** flow generator range
- **Simplus** full face mask
- **Pilairo Q** nasal pillows mask
- **FreeMotion** RT043 NIV mask
# H1 FY2014 Operating Results NZ$

## H1 FY14 (6 months to 30 September 2013)

<table>
<thead>
<tr>
<th></th>
<th>%Revenue</th>
<th>NZ$M</th>
<th>△PCP</th>
<th>△CC&lt;sup&gt;1&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenue</strong></td>
<td>100%</td>
<td>303.9</td>
<td>+14%</td>
<td>+12%</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>41.6%</td>
<td>126.3</td>
<td>+4%</td>
<td>+4%</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>58.4%</td>
<td>177.6</td>
<td>+23%</td>
<td>+20%</td>
</tr>
<tr>
<td><strong>Other income (R&amp;D grant)</strong></td>
<td></td>
<td>1.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SG&amp;A</strong></td>
<td>28.3%</td>
<td>86.0</td>
<td>+12%</td>
<td>+13%</td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td>8.5%</td>
<td>25.8</td>
<td>+21%</td>
<td>+21%</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>36.8%</td>
<td>111.9</td>
<td>+14%</td>
<td>+15%</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>22.0%</td>
<td>66.9</td>
<td>+40%</td>
<td>+43%</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>14.6%</td>
<td>44.5</td>
<td>+34%</td>
<td>+35%</td>
</tr>
</tbody>
</table>

1. CC = constant currency
Dividend

• Interim Dividend
  – Gross 7.5 NZ cps = 5.4 cps + 2.1 cps imputation credit, NZ residents
  – Fully imputed
  – 0.953 cps non-resident supplementary dividend
  – DRP, for NZ/AU residents, 3% discount
Respiratory & Acute Care Update

- Operating revenue growth
  - NZ$ +15%
  - Constant currency +14%

- New applications consumables revenue (NIV, Optiflow, AIRVO, Surgical)
  - NZ$ +30%
  - Constant currency +29%
  - 40% of RAC consumables revenue

- New products rolling out
  - FreeMotion RT043 NIV mask
  - Evaqua 2 breathing circuits
  - Optiflow Junior interface
  - Evatherm breathing circuit
  - AIRVO 2 & myAIRVO 2 flow generators
Obstructive Sleep Apnea Update

- Operating revenue growth
  - NZ$ +15%
  - Constant currency +13%

- Mask revenue growth
  - Constant currency +19%

- New products rolling out
  - F&P Pilairo Q
  - F&P Eson
  - F&P Simplus
  - F&P ICON+
### Balance Sheet & Cash Flow H1 FY14

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

- 34% pre-tax return on equity (annualised), 20% on total assets (annualised)
- NZ$124M of hedging in place at 30 September 2013 for the balance of FY14
  - US$ 88% @ 0.77, € 83% @ 0.46
- Previously closed out forex contracts
  - NZ$18M to operating profit in FY13, NZ$21M FY14, NZ$16M already in 1H 14
Outlook FY14

- Expect new products and applications to drive continuation of robust revenue growth

- Guidance in November 2013, expect at 0.83 NZD:USD exchange rate for remainder of FY2014:
  - Operating revenue: NZ$610M - NZ$625M
  - Net profit after tax: NZ$90M - NZ$95M

- Upgrade in February 2014, at current exchange rates: Net profit after tax ~NZ$97M
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