

A dark blue world map is centered in the background of the slide. The text is overlaid on the map.

Fisher & Paykel

HEALTHCARE

NZX SciTech Seminar
1 & 3 August 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\$

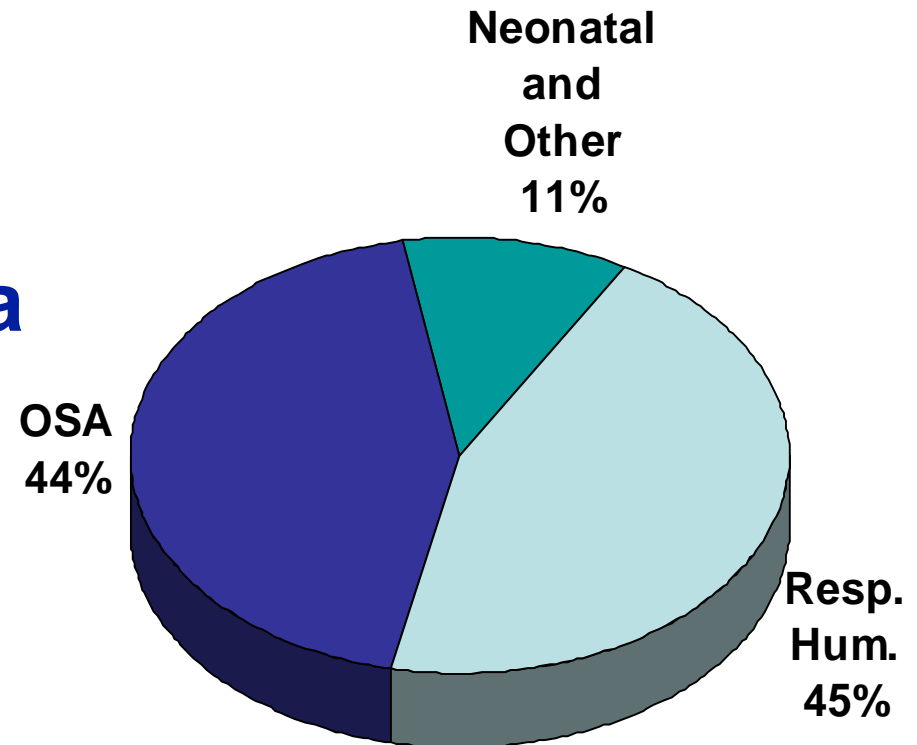
FY06 (12 mths)

	<u>%Revenue</u>	<u>US\$M</u>	<u>%Δpcp</u>
Trading revenue	100%	199.6	+23%
Gross profit	70.1%	140.0	+19%
SG&A	28.2%	56.3	+24%
R&D	5.9%	12.0	+9%
Total Operating Expenses	34.2%	68.2	+21%
Operating Profit	35.9%	71.7	+18%

Markets and Products

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

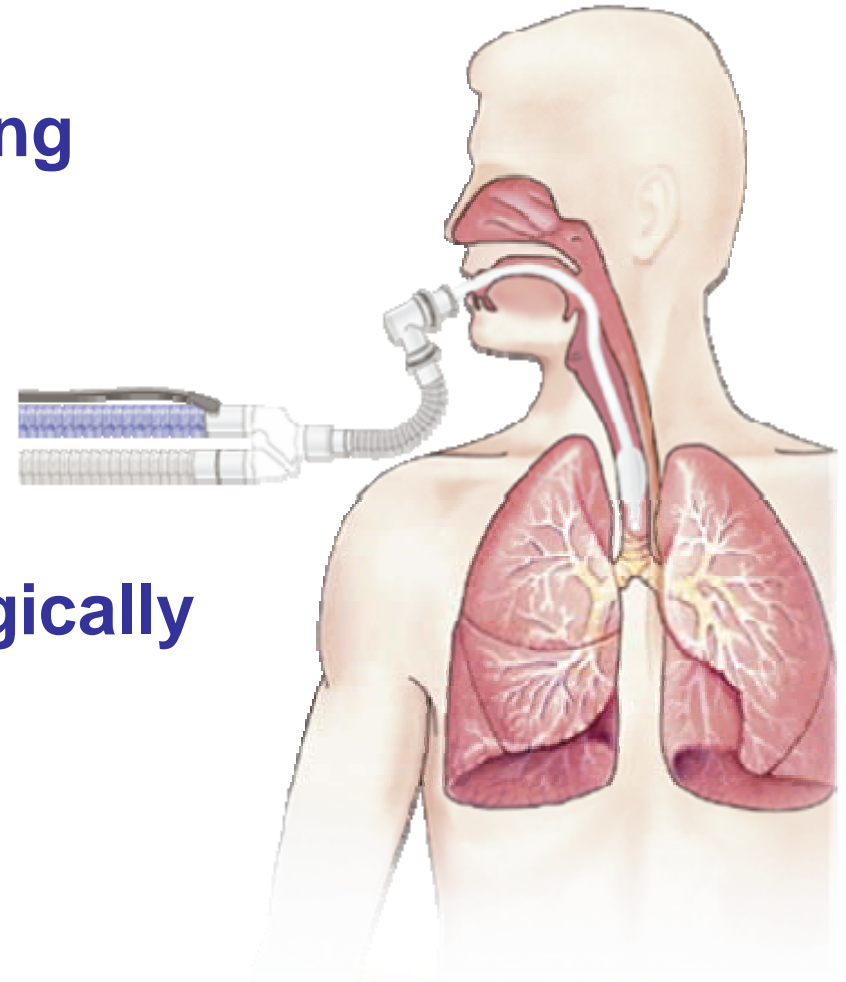
»»» **Consumable products represent approx. 59% of core product sales**



**Revenue by Product
12 months to 31 March 2006**

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
- Estimate US\$600M+ market opportunity.



Humidification Systems

- **MR850 Respiratory Humidifier System**
 - invasive ventilation, O₂ therapy and non-invasive ventilation
- **MR880 Respiratory Humidifier System**
 - simpler controls
 - O₂ therapy
- **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
- **Single-use breathing circuits**
 - patented spiral heater wire
 - proprietary dry expiratory tube
 - less condensation
 - delivery of optimal humidity
- **Breathing circuit components**
 - filters
 - catheter mount
 - weaning kit
- **Interfaces**
 - NIV masks, tracheostomy, O₂ therapy
- **Approx 35 system set-ups used per controller per year**
- **Consumable growth driving increased revenue growth rate**



New

Expanding Opportunities



Invasive Ventilation



Non-invasive Ventilation

New



O₂ Therapy

New



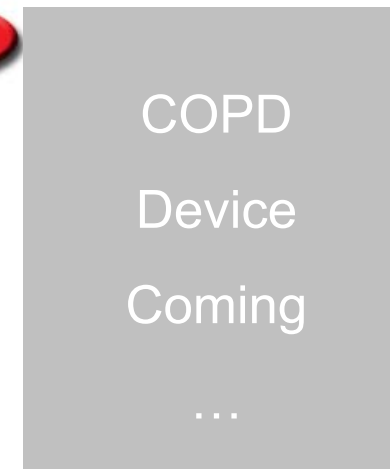
Humidity Therapy

New



Laparoscopic Insufflation

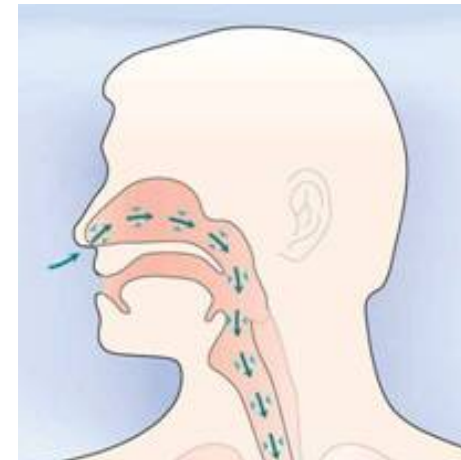
New



New

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



Neonatal and Warming

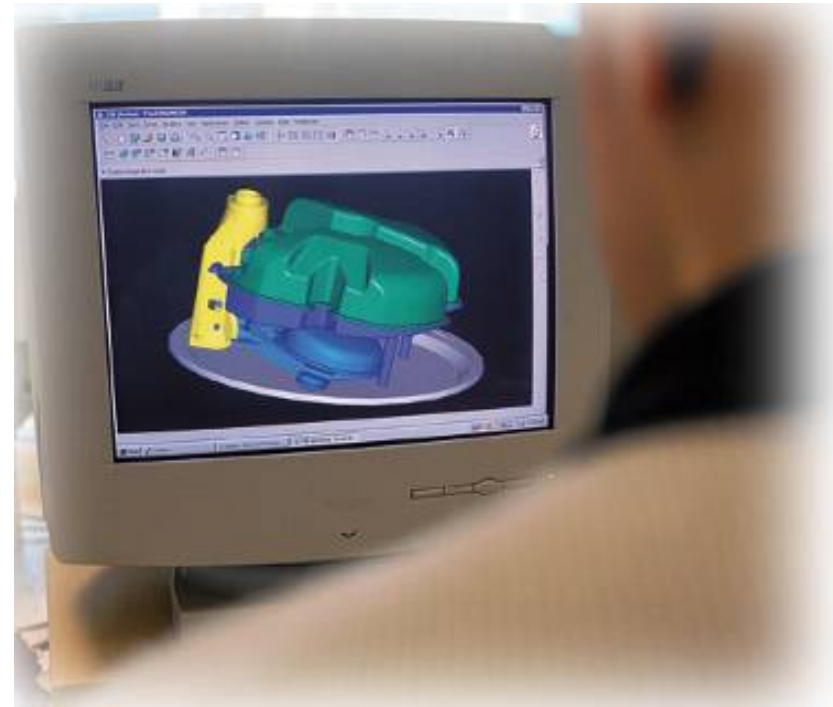
- **Radiant Warmers**
 - warmers required in delivery and NICU
 - precise and stable temperature control
 - opportunity in operating room
- **Infant CPAP System**
 - proprietary bubble CPAP, non-invasive, oscillating pressure
 - lower risk alternative to ventilation
 - high value consumable system
-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



Research & Development

- **190 engineers, scientists, physiologists**
- **6.0% of revenue FY06**
- **Product pipeline includes**
 - Flow generators
 - Masks
 - Humidification system for COPD therapy
 - Respiratory consumables
- **61 US patents, 71 US pending, 145 ROW, 236 ROW pending ***

* at 31 Mar 2006



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
 - 23,000m² building completed July 2006
 - 100 acres / 40 ha



Global Presence

- **Direct**

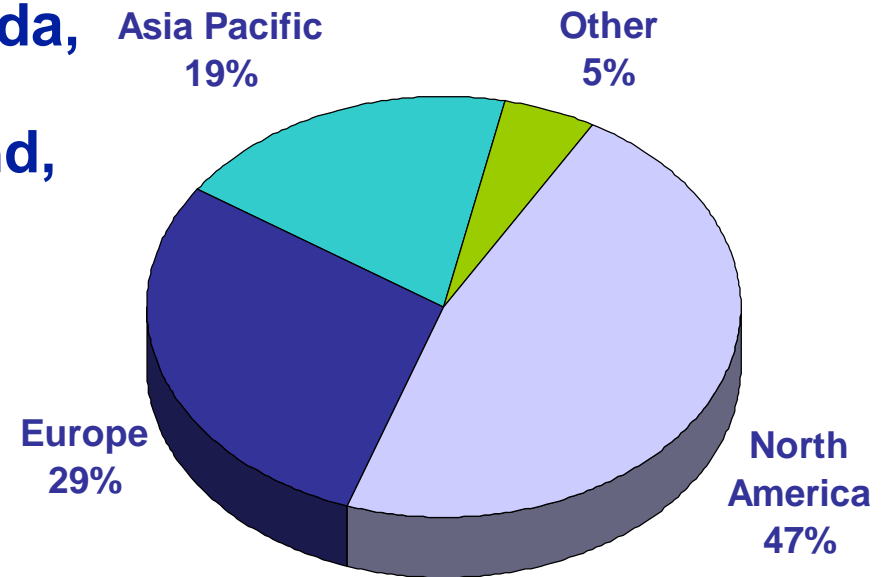
- hospitals, home care dealers
- Sales/support offices in USA/Canada, UK/Ireland, France/Benelux/Italy/Spain, Germany/Austria/Switzerland, India, Japan, UAE, China, Taiwan, Sweden, Brazil, Australia and NZ – 350+ staff
- Ongoing international expansion

- **Distributors**

- 100 distributors worldwide - 90 countries

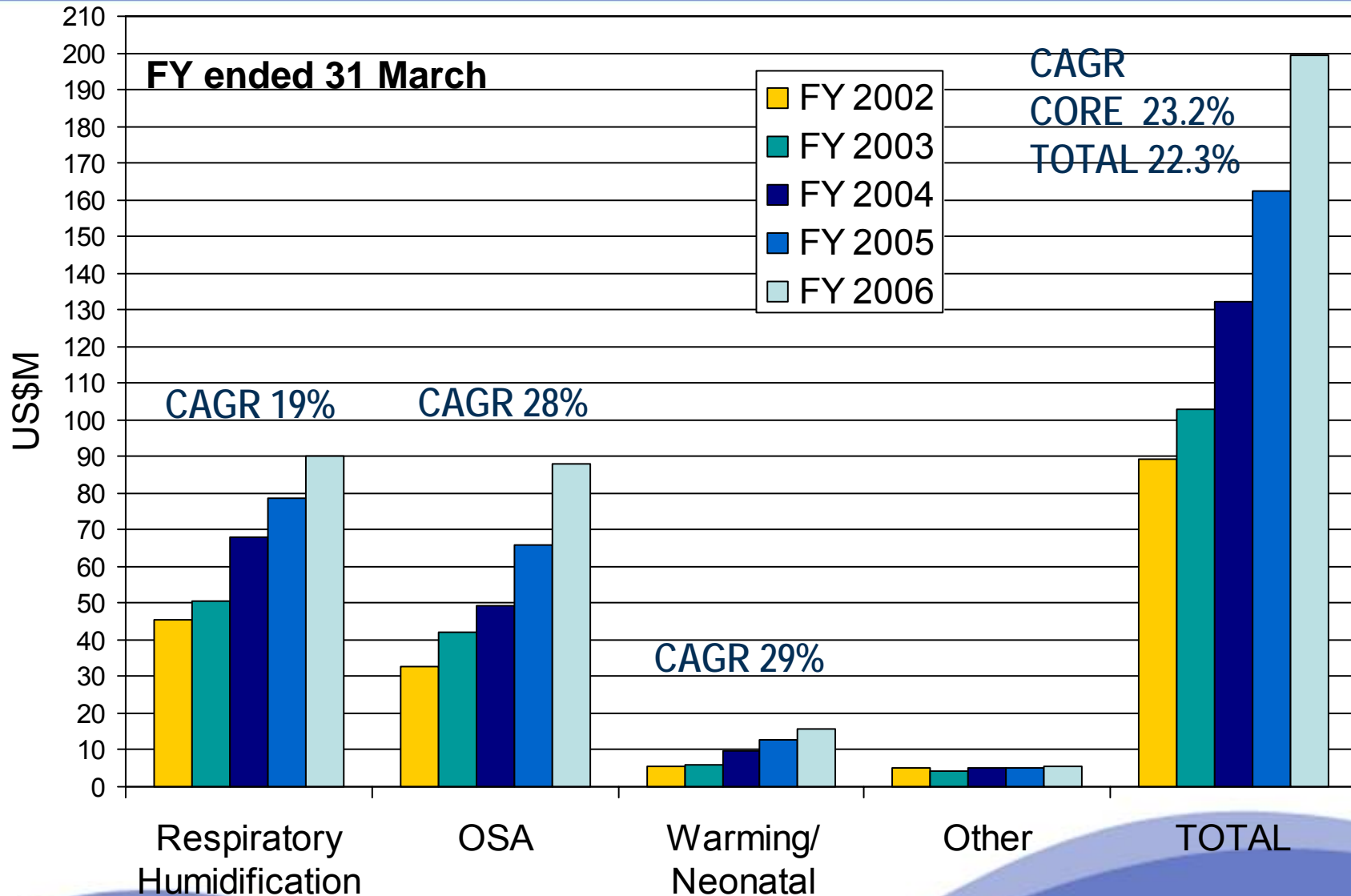
- **Original Equipment Manufacturers**

- supply most leading ventilator manufacturers



Revenue by Region
12 months to 31 March 2006

Revenue Growth US\$



Growth Drivers

Consistent strategy:

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