

FULL YEAR UPDATE AND OVERVIEW FY2009

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Investment Highlights

- Leading player in respiratory humidification systems
- 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



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Operating Results NZ\$

FY09 (12 months to 31 March)

	<u>%Revenue</u>	<u>NZ\$M</u>	<u>% Δpcp</u>
Operating revenue	100%	458.7	+28%
Gross profit	53.8%	246.6	+37%
Other income (R&D credit)	0.7%	3.0	
SG&A	25.9%	118.9	+22%
R&D	6.2%	28.3	+18%
Total Operating Expenses	32.1%	147.2	+21%
Operating Profit	22.3%	102.4	+76%
Profit after Tax	13.6%	62.2	+76%

3

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Operating Results US\$

FY09 (12 months to 31 March)

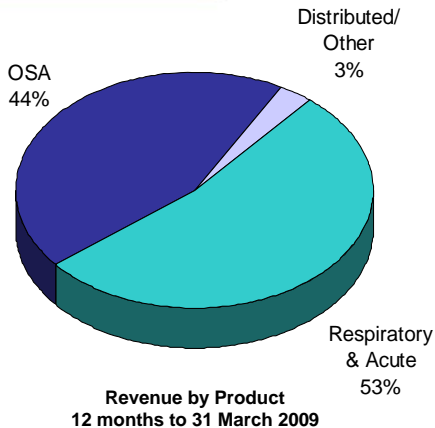
	<u>%Revenue</u>	<u>US\$M</u>	<u>% Δpcp</u>
Operating revenue	100%	299.3	+10%
Gross profit	53.8%	160.9	+18%
Other income (R&D credit)	0.7%	2.0	
SG&A	25.9%	77.6	+5%
R&D	6.2%	18.5	+1%
Total Operating Expenses	32.1%	96.1	+4%
Operating Profit	22.3%	66.8	+51%
Profit after Tax	13.6%	40.6	+52%

4

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Markets and Products

- Respiratory & Acute Care
 - Heated Humidification
 - Respiratory Care
 - Neonatal Care
 - Obstructive Sleep Apnea
 - Masks
 - Flow Generators
 - Humidifiers
- ➔ Consumable and accessory products represent approx. 74% of core product revenue

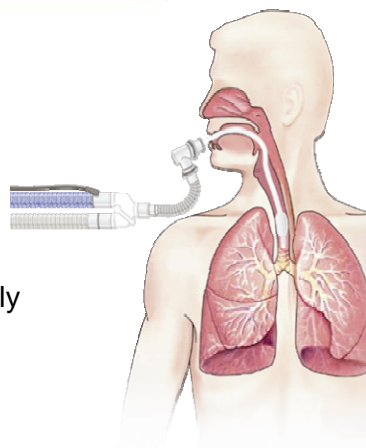


5

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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



6

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Respiratory/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
- Infant CPAP System
 - proprietary bubble CPAP, non-invasive, oscillating pressure
- Infant resuscitator system
 - precise pressure control



7

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Single-use Respiratory Components

- 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, O2 therapy
- Approx 35 system set-ups used per controller per year
- Consumable growth driving revenue growth



8

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Expanding Opportunities



Invasive Ventilation



Non-invasive Ventilation



O₂ Therapy



Humidity Therapy



Surgical Insufflation



COPD Humidity Therapy

9

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Respiratory & Acute Care Update

- 34% revenue growth NZ\$, 21% constant currency
- US GPO contracts, consumable backorder catch-up
- New applications generated 25% of consumables revenue, 55% constant currency growth
- Introducing new NIV mask
- Introducing Airvo humidity therapy range to Europe

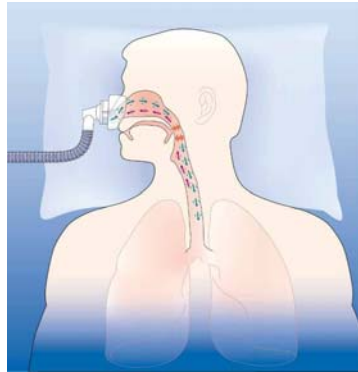


10

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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\$2.0+ billion worldwide market, growing \approx 10-15%
- 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



Continuous Positive Airway Pressure applied through a nasal mask to hold the airway open

11

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CPAP Systems

- SleepStyle™ 230
 - patented Ambient Tracking™ humidification technology
- SleepStyle™ 240
 - SmartStick™ USB compliance and efficacy recording
- SleepStyle™ 600 Flow Generator series
 - ThermoSmart™ heated breathing tube technology
- SleepStyle™ 250 Auto
 - Auto titration
 - SensAwake™ technology



12

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Mask Range

Four interface categories:

- Nasal Masks
 - patented glider
 - FlexiFit™ technology
 - New Zest with EasyClip
- Full Face Mask
 - under chin seal
 - Patented glider
 - FlexiFit™
 - New Forma™ with Flexifoam™
- Oral Mask
 - Oracle™ oral interface
- Nasal Pillows Mask
 - very light
 - Opus 360™



13

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OSA Update

- 23% NZ\$ revenue growth, 12% H2 constant currency for masks and flow generators
- SleepStyle™ Auto flow generator with SensAwake™ introduced to USA
- SleepStyle 240 with compliance and efficacy reporting via SmartStick™ USB introduced
- Zest™ and Forma™ masks introduced

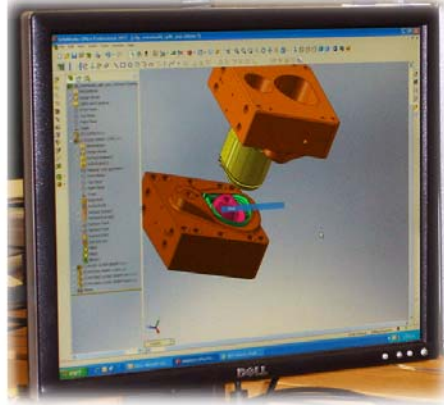


14

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Research & Development

- 250 engineers, scientists, physiologists*
- R&D expenses increased 18% in NZ\$
- 6.2% of operating revenue
- One time NZ\$3M R&D credit
- Product pipeline includes
 - Flow generators
 - Masks
 - Respiratory consumables
- 79 US patents, 73 US pending, 292 ROW, 212 ROW pending*



* at 31 March 2009

15

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Manufacturing

- Vertically integrated
 - electronics assembly
 - injection moulding
 - motor assembly
 - clean manufacturing
- Ample capacity to grow
 - two buildings 51,000m²/ 550,000 ft² total
 - 100 acres/40ha land
- Manufacturing expansion – NZ and Mexico
 - Capital expenditure
 - NZ\$30M NZ
 - NZ\$18M Mexico
 - Mexico expense approx NZ\$5M
 - NZ\$15M - NZ\$20M savings within 5 years

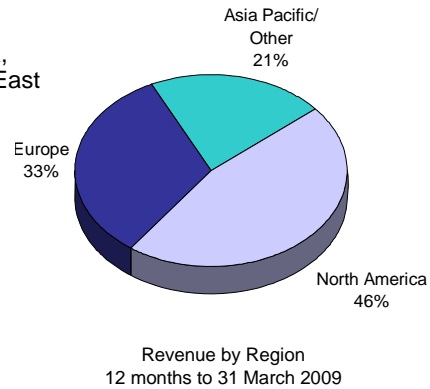


16

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Global Presence

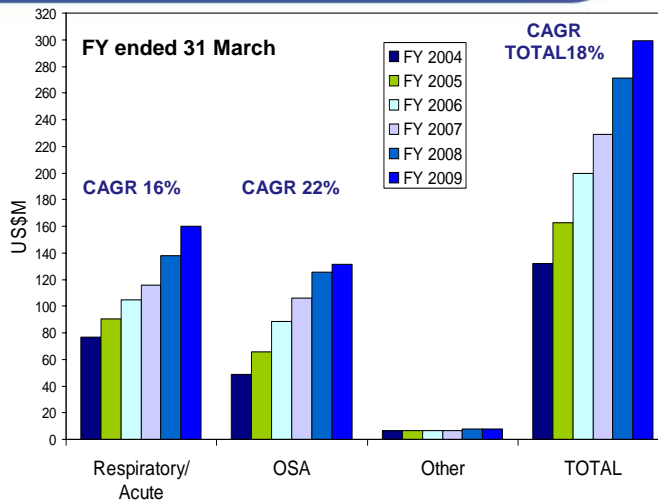
- Direct/offices
 - hospitals, home care dealers
 - Sales/support offices in North America, Europe, Asia, South America, Middle East and Australasia
 - 400+ staff in 26 countries
 - Ongoing international expansion
- Distributors
 - 100+ distributors worldwide
 - 120 countries in total
- Original Equipment Manufacturers
 - supply most leading ventilator manufacturers



17

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Revenue Growth US\$



18

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Balance Sheet

- NZ\$115.5M net debt at 31 March 2009
- NZ\$204.3M total shareholders equity
- NZ\$413.7M total assets
- Annualised 43% pre-tax return on equity, annualised 23% on total assets

Outlook FY2010

- New distribution centres - 4 countries including Japan, expense approximately NZ\$7M
- Operating revenue - expect approximately NZ\$540M @ NZD:USD 0.60
- Net profit - expect approximately 25% growth to approximately NZ\$75M to NZ\$80M
- NPAT sensitivity, approximately NZ\$1.3M per 1% exchange rate change
- Ceasing distribution of Medela Australia, Warmers North America

Growth Drivers

Consistent strategy:

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