Full Year Update
FY2012
May 2012

Investment Highlights

• A leader in respiratory and OSA treatment devices
• Consistent growth strategy
• Estimated US$3.0+ billion and growing market opportunity
• High level of innovation
• Global presence
• Strong financial performance
  NZSX:FPH, ASX:FPH
## Operating Results US$

<table>
<thead>
<tr>
<th></th>
<th>%Revenue</th>
<th>US$M</th>
<th>Δ PCP</th>
<th>Δ CC²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenue</strong></td>
<td>100%</td>
<td>417.1</td>
<td>+12%</td>
<td>+8%</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>46.8%</td>
<td>195.1</td>
<td>+17%</td>
<td>+8%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>53.2%</td>
<td>222.0</td>
<td>+9%</td>
<td>+9%</td>
</tr>
<tr>
<td>Other income</td>
<td>1.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>27.6%</td>
<td>115.1</td>
<td>+11%</td>
<td>+6%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>8.1%</td>
<td>33.9</td>
<td>+18%</td>
<td>+7%</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>35.7%</td>
<td>149.0</td>
<td>+12%</td>
<td>+6%</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>18.0%</td>
<td>74.9</td>
<td>+5%</td>
<td>+18%</td>
</tr>
<tr>
<td><strong>Profit after Tax¹</strong></td>
<td>12.4%</td>
<td>51.7</td>
<td>+10%</td>
<td>+23%</td>
</tr>
</tbody>
</table>

1. excl. FY11 deferred tax charges
2. CC = constant currency

## Operating Results NZ$

<table>
<thead>
<tr>
<th></th>
<th>%Revenue</th>
<th>NZ$M</th>
<th>Δ PCP</th>
<th>Δ CC²</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenue</strong></td>
<td>100%</td>
<td>516.7</td>
<td>+2%</td>
<td>+8%</td>
</tr>
<tr>
<td>Cost of Sales</td>
<td>46.8%</td>
<td>241.7</td>
<td>+6%</td>
<td>+8%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>53.2%</td>
<td>275.0</td>
<td>-1%</td>
<td>+9%</td>
</tr>
<tr>
<td>Other income</td>
<td>2.4</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>27.6%</td>
<td>142.6</td>
<td>+1%</td>
<td>+6%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>8.1%</td>
<td>42.0</td>
<td>+7%</td>
<td>+7%</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>35.7%</td>
<td>184.6</td>
<td>+2%</td>
<td>+6%</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>18.0%</td>
<td>92.8</td>
<td>-5%</td>
<td>+18%</td>
</tr>
<tr>
<td><strong>Profit after Tax¹</strong></td>
<td>12.4%</td>
<td>64.1</td>
<td>0%</td>
<td>+23%</td>
</tr>
</tbody>
</table>

1. excl. FY11 deferred tax charges
2. CC = constant currency
Dividend

• Final Dividend
  – Gross 9.7cps = 7.0 cps + 2.7 cps imputation credit, NZ residents
  – Fully imputed based on 28% tax rate
  – 1.235 cps non-resident supplementary dividend
  – DRP, 3% discount NZ/AU residents

• Total Dividends for FY2012
  – Gross 17.2cps = 12.4 + 4.8 cps imputation credit, NZ residents
  – Fully imputed Based on 28% tax rate
  – 2.19 cps non-resident supplementary dividend

Respiratory & Acute Care Update

• Operating revenue growth FY12
  – US$ +18%
  – Constant currency +13%

• New applications (NIV, Optiflow™, AIRVO™, Surgical) revenue growth
  – US$ +29%
  – Constant currency +24%
  – New applications, 33% of RAC consumables revenue

• New products
  – Evaqua™ II breathing circuits
  – Infant Optiflow™ interface
  – AIRVO™ 2 system
### Obstructive Sleep Apnea Update

- **Operating revenue growth** (FY12)
  - US$ +7%
  - Constant currency +3%
- **Flow generator revenue growth**
  - US$ +22%
  - Constant currency +18%
- **New products**
  - Zest™ Q Nasal mask
  - Pilairo™ nasal pillows
  - InfoSmart™ web
  - ICON™ Premo with SensAwake™ responsive pressure relief
  - InfoGSM™ modem

### Balance Sheet & Cash Flow FY12

- NZ$93.9M operating cash flow
- NZ$67.5M capex, (NZ$47.4M Building 3), NZ$22.5M D&A
- NZ$108.5M net debt
- NZ$348.2M total shareholders equity
- NZ$572.1M total assets
- 28% pre-tax return on equity, 17% on total assets
- NZ$450M of hedging in place at 31 March 2012 for FY13 - US$ 64% @ 0.75, € 65% @ 0.46
- Closed out forex contracts, NZ$17M to operating profit in FY12, NZ$18M FY13, NZ$21M FY14
Outlook FY2013

- Expect constant currency revenue growth to increase through the year as new products gain traction.
- Expect over NZD:USD exchange rate range of 0.75 to 0.80:
  - Operating revenue: NZ$540M - NZ$560M
  - Net profit after tax: NZ$62M - NZ$70M

Markets and Products

- Respiratory & Acute Care
  - Heated Humidification
  - Respiratory Care
  - Neonatal Care
  - Surgery
- Obstructive Sleep Apnea
  - Masks
  - Flow Generators
  - Humidifiers
- Consumable and accessory products represent approx. 75% of core product revenue.

Revenue by Product
12 months to 31 March 2012
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
Respiratory & Acute Care

- MR850 Respiratory Humidifier System
  - invasive ventilation, $O_2$ therapy and non-invasive ventilation
- MR810 Respiratory Humidifier System
  - entry level system
  - ventilation and $O_2$ therapy
  - optional heated breathing circuit
- 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™, $O_2$ 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$2.2+ 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

ICON™ Stylish on the Outside

- Aesthetic appeal
- Forward facing clock with adjustable brightness
- Intuitive SmartDial™
- Swivel Elbow
- Hidden Water Chamber
- Customisable AlarmTunes™
ICON™ Smart on the Inside

Combination of Clinical technologies

- Responsive pressure relief - Sens Awake™
- ThermoSmart™ Humidifier Breathing Tube Technology
- Auto-adjusting CPAP
- SmartStick™ USB and InfoSmart™ Data Management

Efficient Compliance Reporting
Broad Mask Range

Four interface categories

- **Nasal Masks**
  - patented glider
  - FlexiFit™ technology
  - Zest™ Petite, Plus, Q

- **Full Face Masks**
  - under chin seal
  - patented glider
  - FlexiFit™ technology
  - Forma™ with Flexifoam™

- **Oral Mask**
  - Oracle™ oral interface

- **Nasal Pillows Mask**
  - very light
  - Opus 360™
  - Pilairo™

Research & Development

- 8.1% of operating revenue, NZ$42M¹

- Product pipeline includes:
  - flow generators
  - humidifier controllers
  - compliance monitoring solutions
  - masks
  - respiratory consumables

- 98 US patents, 107 US pending,
  413 ROW, 189 ROW pending¹

¹ at 31 March 2012
Manufacturing

- Vertically integrated
  - electronics assembly
  - injection moulding
  - motor assembly
  - clean manufacturing
- Ample capacity to grow
  - Mexico, Tijuana
    - 18,000m²/200,000ft²
    - Consumables capacity ramping up
  - New Zealand, Auckland
    - two buildings 51,000m²/550,000ft² total
    - 31,000m² building 3
      - completion November 2012,
      - total cost ~ NZ$95M
    - 100 acres/40ha land
  - Mexico Facility

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
  - >500 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
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
  - Increase international presence