

Full Year Update

FY2012

May 2012



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HEALTHCARE

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



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Operating Results US\$

FY12 (12 months to 31 March)	<u>%Revenue</u>	<u>US\$M</u>	<u>ΔPCP</u>	<u>ΔCC²</u>
Operating revenue	100%	417.1	+12%	+8%
Cost of Sales	46.8%	195.1	+17%	+8%
Gross profit	53.2%	222.0	+9%	+9%
Other income		1.9		
SG&A	27.6%	115.1	+11%	+6%
R&D	8.1%	33.9	+18%	+7%
Total Operating Expenses	35.7%	149.0	+12%	+6%
Operating Profit	18.0%	74.9	+5%	+18%
Profit after Tax¹	12.4%	51.7	+10%	+23%

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

3

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Operating Results NZ\$

FY12 (12 months to 31 March)	<u>%Revenue</u>	<u>NZ\$M</u>	<u>ΔPCP</u>	<u>ΔCC²</u>
Operating revenue	100%	516.7	+2%	+8%
Cost of Sales	46.8%	241.7	+6%	+8%
Gross profit	53.2%	275.0	-1%	+9%
Other income		2.4		
SG&A	27.6%	142.6	+1%	+6%
R&D	8.1%	42.0	+7%	+7%
Total Operating Expenses	35.7%	184.6	+2%	+6%
Operating Profit	18.0%	92.8	-5%	+18%
Profit after Tax¹	12.4%	64.1	0%	+23%

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

4

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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

5

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Respiratory & Acute Care Update

- | | FY12 |
|--|-------------|
| • Operating revenue growth | |
| – 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 | |



6

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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



7

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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

8

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Outlook FY2013

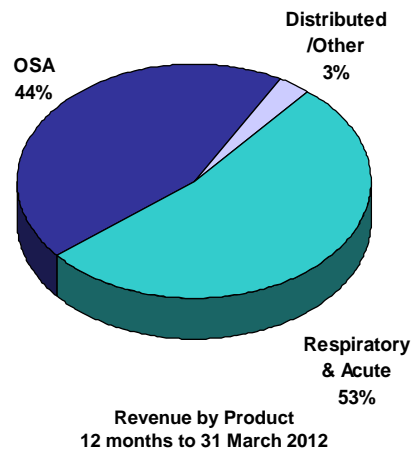
- Expect constant currency revenue growth to increase through the year as new products gain traction
- Expect over NZD:USD exchange rate range of 0.75 to 0.80:
 - Operating revenue NZ\$540M - NZ\$560M
 - Net profit after tax NZ\$62M - NZ\$70M

9

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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

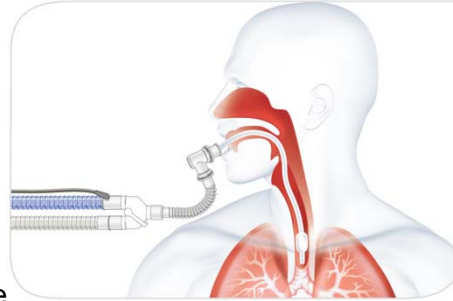


10

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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



11

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Respiratory & Acute Care

INVASIVE
VENTILATION

NONINVASIVE
VENTILATION

NASAL
HIGH FLOW

FACE MASK
OXYGEN

LOW FLOW
OXYGEN

HUMIDITY
THERAPY



Evaqua™



FreeMotion™



Optiflow™



Airvo™



Neopuff™



Evaqua™



Bubble CPAP



Optiflow™

12

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Respiratory & Acute Care

- 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
- Surgical opportunity (HumiGard™)
 - laparoscopic insufflation
 - open surgery



13

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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

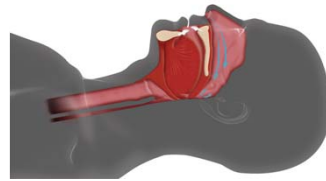
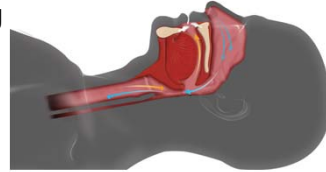


14

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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\$2.2+ billion worldwide market, growing \approx 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



15

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ICON™ Stylish on the Outside



- Aesthetic appeal
- Forward facing clock with adjustable brightness
- Intuitive SmartDial™
- Swivel Elbow
- Hidden Water Chamber
- Customisable AlarmTunes™

16

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ICON™ Smart on the Inside

Combination of Clinical technologies



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

17

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Efficient Compliance Reporting

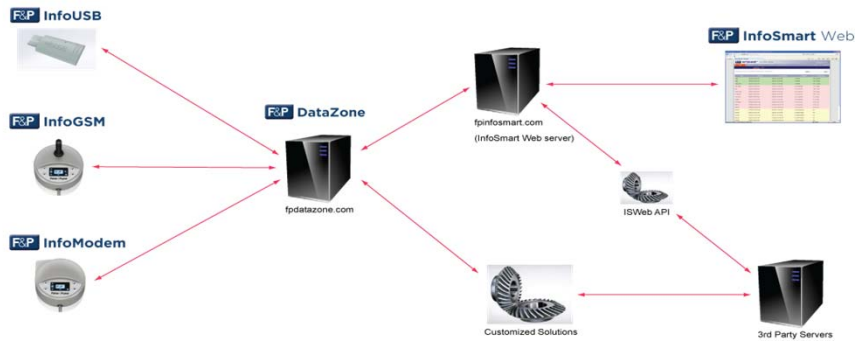
INFOSMART™
TECHNOLOGIES

INFO
Live Data Sources

DATAZONE
Data Integration

INFOSMART
Reporting Services

INFOSMART
Client Platforms



18

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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™



19

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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

20

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Manufacturing

- Vertically integrated
 - electronics assembly
 - injection moulding
 - motor assembly
 - clean manufacturing
- Ample capacity to grow
 - 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, Tijuana
 - 18,000m²/200,000ft²
 - Consumables capacity ramping up



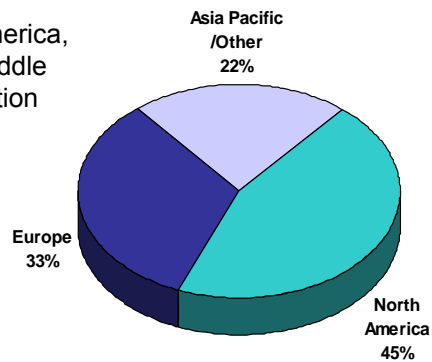
Mexico Facility

21

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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, 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



Revenue by Region
12 months to 31 March 2012

22

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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

