Half Year Update
FY2012 November 2011

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>FY12 (6 months to 30 September)</th>
<th>%Revenue</th>
<th>US$M</th>
<th>△PCP</th>
<th>△CC²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>100%</td>
<td>205.7</td>
<td>+18%</td>
<td>11%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>52.5%</td>
<td>108.1</td>
<td>+12%</td>
<td>+8%</td>
</tr>
<tr>
<td>Other income</td>
<td>0.9</td>
<td>1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>28.7%</td>
<td>59.1</td>
<td>+11%</td>
<td>3%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>7.9%</td>
<td>16.2</td>
<td>+23%</td>
<td>+7%</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>36.6%</td>
<td>75.3</td>
<td>+13%</td>
<td>+4%</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>16.4%</td>
<td>33.8</td>
<td>+12%</td>
<td>+31%</td>
</tr>
<tr>
<td><strong>Profit after Tax¹</strong></td>
<td>11.2%</td>
<td>23.1</td>
<td>+14%</td>
<td>+34%</td>
</tr>
</tbody>
</table>

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

### Operating Results NZ$

<table>
<thead>
<tr>
<th>FY12 (6 months to 30 September)</th>
<th>%Revenue</th>
<th>NZ$M</th>
<th>△PCP</th>
<th>△CC²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue</td>
<td>100%</td>
<td>252.0</td>
<td>+3%</td>
<td>+11%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>52.5%</td>
<td>132.4</td>
<td>-3%</td>
<td>+8%</td>
</tr>
<tr>
<td>Other income</td>
<td>1.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>28.7%</td>
<td>72.3</td>
<td>-4%</td>
<td>+3%</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>7.9%</td>
<td>19.9</td>
<td>+7%</td>
<td>+7%</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>36.6%</td>
<td>92.2</td>
<td>-2%</td>
<td>+4%</td>
</tr>
<tr>
<td><strong>Operating Profit</strong></td>
<td>16.4%</td>
<td>41.4</td>
<td>-2%</td>
<td>+31%</td>
</tr>
<tr>
<td><strong>Profit after Tax¹</strong></td>
<td>11.2%</td>
<td>28.3</td>
<td>-1%</td>
<td>+34%</td>
</tr>
</tbody>
</table>

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

• Interim Dividend
  – 5.4 cps
  – Fully imputed based on 28% tax rate, NZ residents
  – 0.953 cps non-resident supplementary dividend
  – DRP, 3% discount NZ/AU residents

Respiratory & Acute Care Update

• Operating revenue growth
  – US$ 22%
  – Constant currency 15%
• Consumables revenue growth
  – US$ 25%
  – Constant currency 15%
• New applications (NIV, Optiflow™, AIRVO™, Surgical) revenue growth
  – US$ 34%
  – Constant currency 23%
  – New applications, 33% of RAC consumables revenue for H1
Respiratory & Acute Care Update

- New products
  - Evaqua™ II breathing circuits
  - NIV mask
  - Neonatal Bubble CPAP masks
  - Infant resuscitator consumables
  - HumiGard™ surgical humidification system for laparoscopic surgery, open surgery

OSA Update

- Operating revenue growth **H1 FY12**
  - US$ 14%
  - Constant currency 8%

- Flow generator revenue growth
  - US$ 47%
  - Constant currency 36%

- New products
  - Zest™ Q Nasal mask
  - Pilairo™ nasal pillows
Balance Sheet & Cash Flow H1 FY12

- NZ$43.1M operating cash flow
- NZ$27M capex, (NZ$18M building 3), NZ$12M D&A
- NZ$103.2M net debt
- NZ$309.7M total shareholders equity
- NZ$523.9M total assets
- 26% pre-tax return on equity, annualised 15% on total assets
- NZ$470M of hedging in place as at 30 September 2011 for FY12 H2 - US$ 89% @ 0.70, € 86% @ 0.48
- Closed out forex contracts, NZ$8M to operating profit in H1 FY12, NZ$9M in H2 FY12, NZ$18M FY13, NZ$21M FY14

Outlook FY2012

- Expect constant currency net profit growth approx. 25%

- Expect over NZD:USD exchange rate range of 0.75 to 0.80:
  - Operating revenue NZ$520M - NZ$530M
  - Net profit after tax NZ$62M - NZ$67M
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
6 months to 30 September 2011

Respiratory & Acute 
52%
OSA 
45%
Distributed /Other 
3%

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

• 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™, 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$2.2+ billion worldwide market, growing ≈37+% 
- 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**

- ThermoSmart™ Humidifier Breathing Tube Technology
- Auto-adjusting CPAP
- SensAwake™
- SmartStick™ USB and InfoSmart™ Data Management
Compliance Reporting

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

- ≈ 300 engineers, scientists, physiologists\(^1\)
- 7.9% of operating revenue\(^2\)
- Product pipeline includes
  - flow generators
  - humidifier controllers
  - compliance monitoring solutions
  - masks
  - respiratory consumables
- 92 US patents, 100 US pending, 366 ROW, 196 ROW pending\(^1\)

Manufacturing

- Vertically integrated
  - electronics assembly
  - injection moulding
  - motor assembly
  - clean manufacturing
- Ample capacity to grow
  New Zealand, Auckland
  - two buildings 51,000m\(^2\)/550,000ft\(^2\) total
  - 31,000m\(^2\) building 3 underway, total cost ~NZ$95M
  - 100 acres/40ha land
  Mexico, Tijuana
  - 18,000m\(^2\)/200,000ft\(^2\)
  - Consumables capacity ramping up, achieving >33% variable cost saving
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

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