



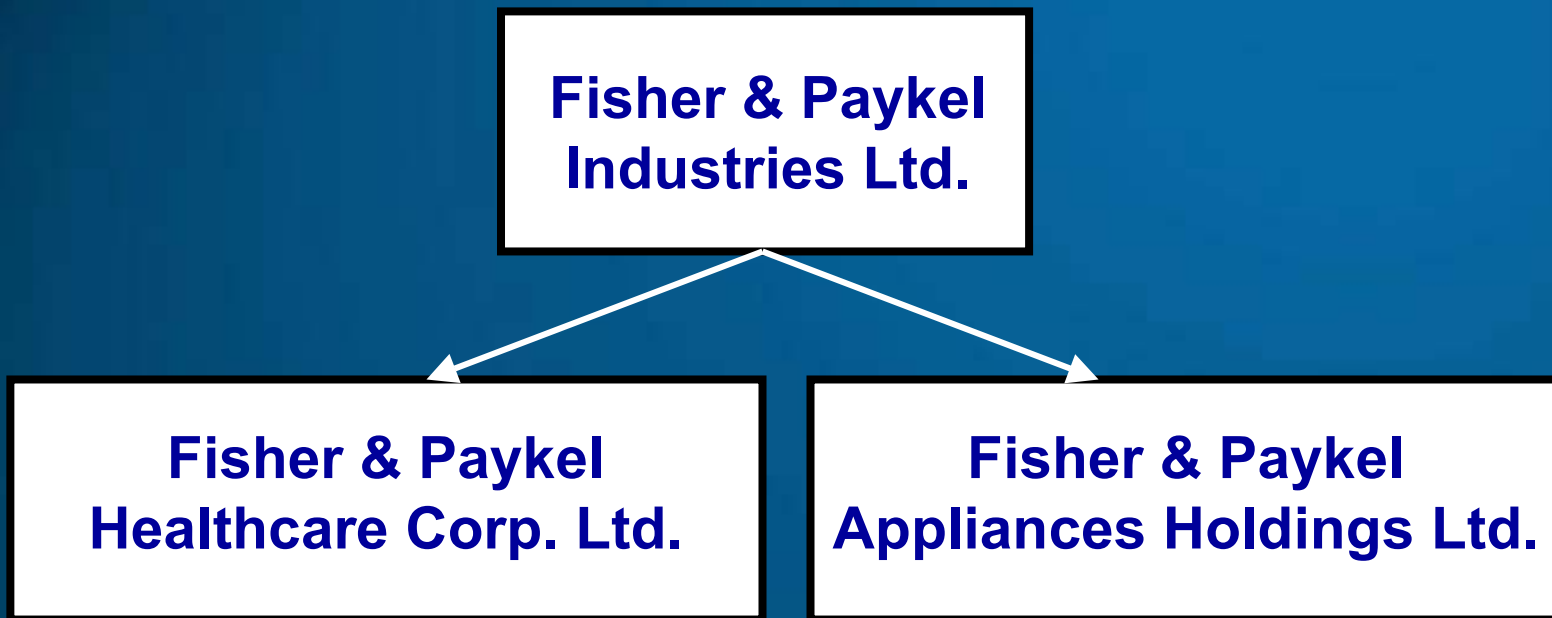
Fisher & Paykel

HEALTHCARE

Forward Looking Statements

This presentation may include forward-looking statements and actual results could vary. Such forward-looking statements, including statements regarding our future revenue and earnings projections and the development of new markets for our products, are subject to risks and uncertainties, which could cause actual results to differ materially from those projected or implied in the forward looking statements. For a discussion of factors that could cause actual results to vary from any forward-looking statements, please see our prospectus, especially Risk Factors.

Recent Separation and US IPO



- Business established 1971
- Listing on NASDAQ, NZ and Australian Stock Exchanges

- Appliance, finance divisions
- <20% cross holding of F&P Healthcare
- Listing on NZ and Australian Stock Exchanges

Investment Highlights

- Leading player in heated humidification devices and consumables for a variety of respiratory markets - estimated US\$1 billion+ market opportunity
- High level of innovation
- Global presence
- Competitive NZ cost base
- Strong financial performance
- Experienced management team

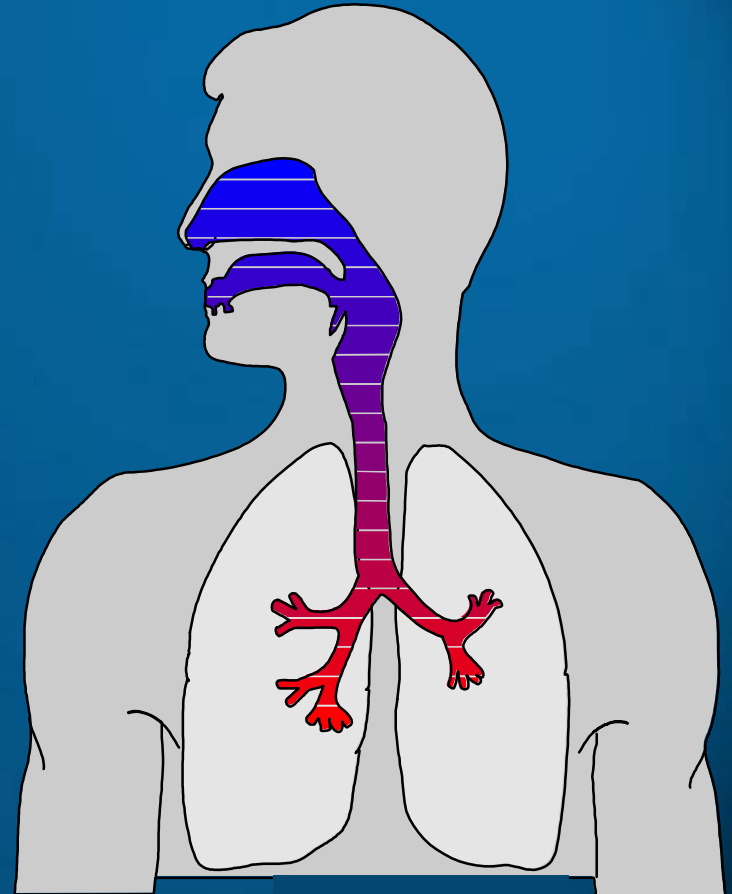
NZSE:FPH, NASDAQ:FPHC, ASX:FPH

Markets and Products

- Respiratory humidification (52% of sales)
 - respiratory humidifiers, chambers, breathing circuits and accessories
 - Obstructive sleep apnea (35% of sales)
 - integrated flow generator-humidifiers, humidifiers, masks and chambers
 - Neonatal and other (13% of sales)
 - neonatal warmers, neonatal CPAP, distributed products
- Consumable products represent 44% of sales

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



Market Opportunity

Humidification systems are utilized to create, control and deliver optimal levels of humidity

- Estimated US\$350 million market worldwide
 - consists of heated humidifier controllers, humidifier chambers, breathing circuits, unheated humidifiers and related supplies
 - 1.5 million intubated patients in US each year
- Heated humidifiers utilized as systems - creates ongoing consumables revenue stream

Fisher & Paykel's Humidification Systems

Fisher & Paykel has a full range of industry-leading respiratory humidification systems

Products include:

MR850 Respiratory Humidification System

- invasive ventilation, O₂ therapy and non-invasive ventilation
- patented flow measuring technology
- integrated system
- “set and forget” optimal humidity

MR410 Respiratory Humidifier

- O₂ therapy and non-invasive ventilation
- electronic thermostat
- simple controls



Single-use Components

- Single-use chambers
 - patented auto filling MR290
 - manual filling models
- Single-use adult breathing circuits
 - patented spiral heater wire
 - less condensation
 - delivery of optimal humidity



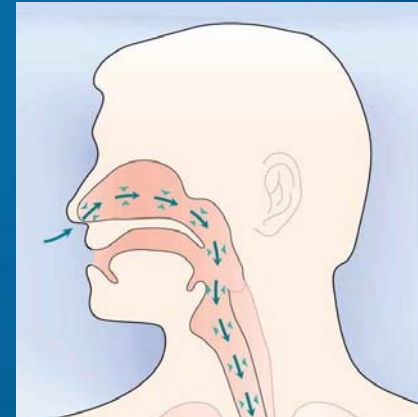
→ On average, 35 system set-ups used per controller per year

Competitive Advantage

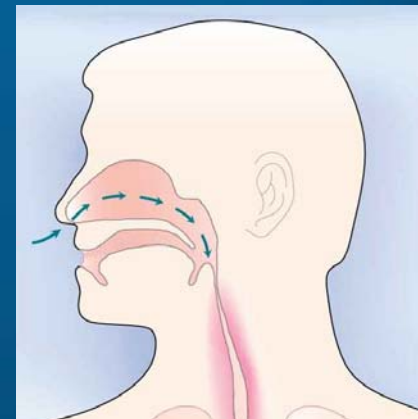
- Creating, controlling and delivering optimal humidity poses technical challenges
- Integrated humidifier, chamber, circuit system provides:
 - optimal performance
 - marketing advantage
- Bundled consumable sales driven by installed controllers
 - Estimate F&P has >50% global controller market share
- High level of R&D commitment
- Extensive intellectual property
- Worldwide F&P sales force

Obstructive Sleep Apnea

- Estimated US\$500 million worldwide market, growing 15%-20%
- Temporary closure of airway during sleep
- Can greatly impair quality of sleep, leading to fatigue and reduced cognitive function; also associated with stroke and heart attack
- 12 million affected by OSA in US alone
- Most common treatment is CPAP (Continuous Positive Airway Pressure)
 - key issue with CPAP is compliance



Normal breathing



Patient with OSA

Benefits of Heated Humidification with OSA

Compliance can be greatly improved with heated humidification

Clinical studies have found that:

- Mouth leak resulted in nasal congestion and increased nasal airway resistance (Richards, Journal of Respiratory Care Medicine, 1996)
- More patients abandoned CPAP when it was used without humidification - 36% vs. 11% (Kline, Sleep, 1999)
- CPAP used for a longer period each night when it was used with heated humidification - ~35 minutes longer (Massie, Chest, 1999)

→ Increasing proportion of patients on CPAP are using heated humidification

Fisher & Paykel's OSA Systems

Fisher & Paykel has a broad range of CPAP products, including flow generators, humidifiers and masks

Products include:

HC150 Humidifier

- suitable for use with most OSA flow generators
- patented ambient tracking system

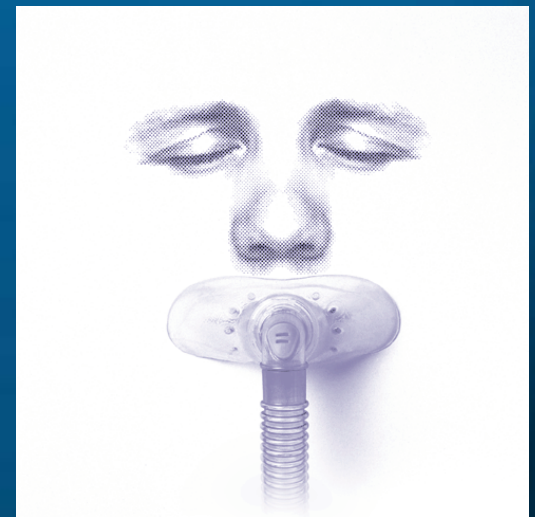
HC221 Integrated Flow-Generator Humidifier

- compact, integrated unit
- patented ambient tracking system
- compliance monitoring



Mask Systems

- Aclaim™ Nasal Mask
 - proprietary sliding attachment
 - auto-adjusting headpiece
 - bias flow diffuser
 - less leaks, greater comfort
- Oracle™ Oral Mask
 - proprietary oral interface
 - no headgear required



Competitive Advantage

- Leveraging heated humidification expertise into rapidly growing market
 - increased penetration of heated humidification in OSA
 - Fisher & Paykel is the pioneer of heated humidification technologies in OSA
- Benefits of integrated flow-generator humidifier
- Recently-introduced innovative masks
- Worldwide F&P sales force

Neonatal Warmers and CPAP

- Radiant Warmers
 - 400,000 pre-term live births per year in US
 - warmers required in delivery and NICU
 - precise and stable temperature control
- Infant CPAP System
 - proprietary bubble CPAP, non-invasive, oscillating pressure
 - lower risk alternative to ventilation



Research & Development

- 20% of staff in research and development
- 120 engineers, scientists, physiologists
- Competitive NZ cost base
- Integrated product teams
- Rapid prototype development
- Active clinical research program
- 26 US patents, 18 pending

Recent Product Launches

Timing

Product

CY 2001 Actual

Aclaim™ Mask
Oracle Mask
Infant CPAP System
HC150 Humidifier
HC221 Integrated Flow Generator

Next 6-12 months

MR810 Humidifier
Neonatal breathing circuits

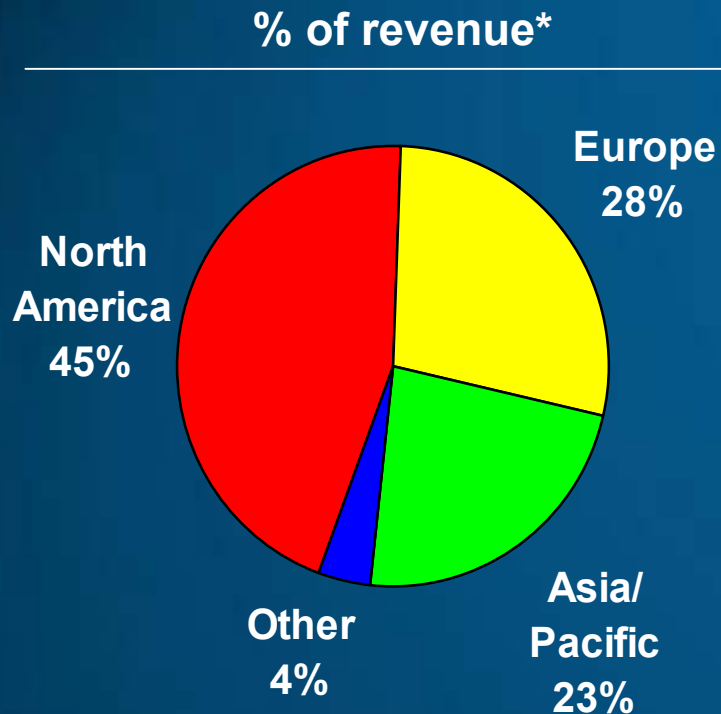
→ Continuously introducing new features and advancements to our existing product lines

Manufacturing

- Vertically integrated
 - electronics assembly
 - injection moulding
 - motor assembly
- ISO 9001; Class 100,000 controlled environment
- Ample capacity to grow
 - 240,000 ft² facility
 - planned expansion of 62,000 ft²
 - 100 acre site



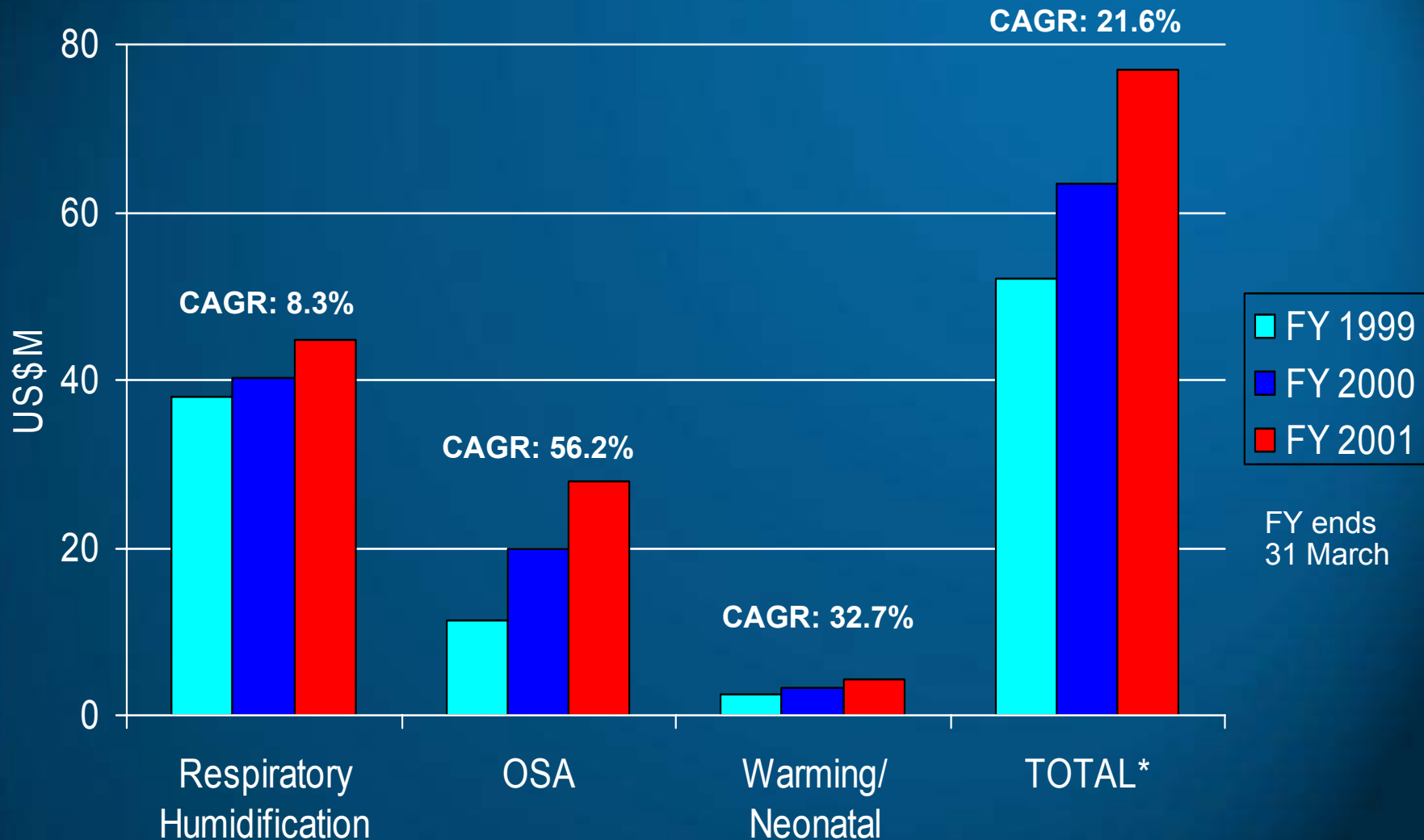
Global Presence



* FY 2001

- Direct
 - hospitals, alternate site, home care dealers
 - sales offices in USA/Canada, UK/Ireland, France/Benelux, Germany/Austria, Australia and NZ
 - Distributors
 - 100 distributors worldwide - 90 countries
 - Original Equipment Manufacturers
 - supply most leading ventilator and CPAP manufacturers
- F&P sales offices generate more than 80% of revenue

Revenue Growth



* excludes distributed and discontinued products

Operating Profit Growth

CAGR = 27.7%



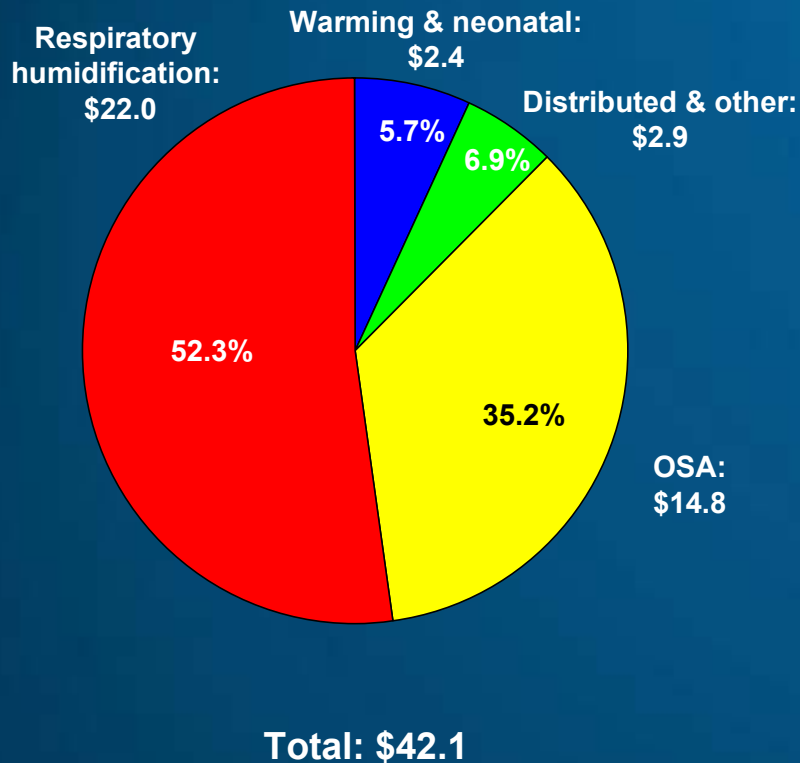
* excludes abnormal expenses

FY ends 31 Mar

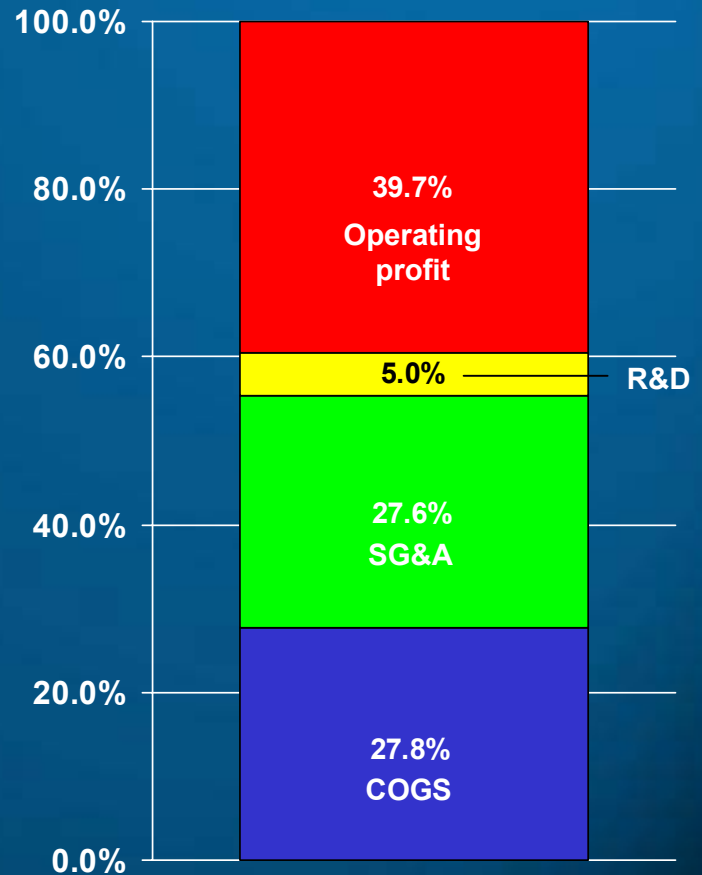
Operating Results

Six months ending 30 Sep 01

Revenue US\$M



Margins



Management Team

CEO

Michael Daniell

1979

SVP - Research & Development

Lewis Gradon

1985

SVP - Sales & Marketing

Paul Shearer

1990

CFO

Tony Barclay

1996

Board of Directors

Chairman

Gary Paykel

CEO F&P Industries

Managing
Director, CEO

Michael Daniell

F&P Industries / healthcare

Director

**Prof.
Adrienne Clarke**

University of Melbourne

Director

Dr. Nigel Evans

NZ Steel, Quark Technology

Director

Lindsay Gillanders

F&P Industries / legal

Director

Sir Colin Maiden

General Motors,
University of Auckland

Director

Mike Smith

Lion Nathan Limited

Growth drivers

- Maintain high level of innovation
 - continue to improve existing product lines
 - develop complementary product offerings
- Target new medical applications
- Increase our international presence

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