



Fisher & Paykel **HEALTHCARE**

FY08 Full Year Update and Overview

Investment Highlights

- Leading player in respiratory humidification systems
- Consistent growth strategy
- Estimated US\$2.5+ billion and growing market opportunity
- High level of innovation
- Global presence
- Strong financial performance

NZSX:FPH, ASX:FPH



Operating Results US\$

FY08 (12 mths)

	<u>%Revenue</u>	<u>US\$M</u>	<u>%Δpcp</u>
Operating revenue	100%	271.5	+18%
Gross profit	50.3%	136.6	+6%
SG&A	27.3%	74.2	+17%
R&D	6.7%	18.3	+34%
Total Operating Expenses	34.1%	92.5	+20%
Operating Profit	16.2%	44.1	-16%

Operating Results NZ\$

FY08 (12 mths)

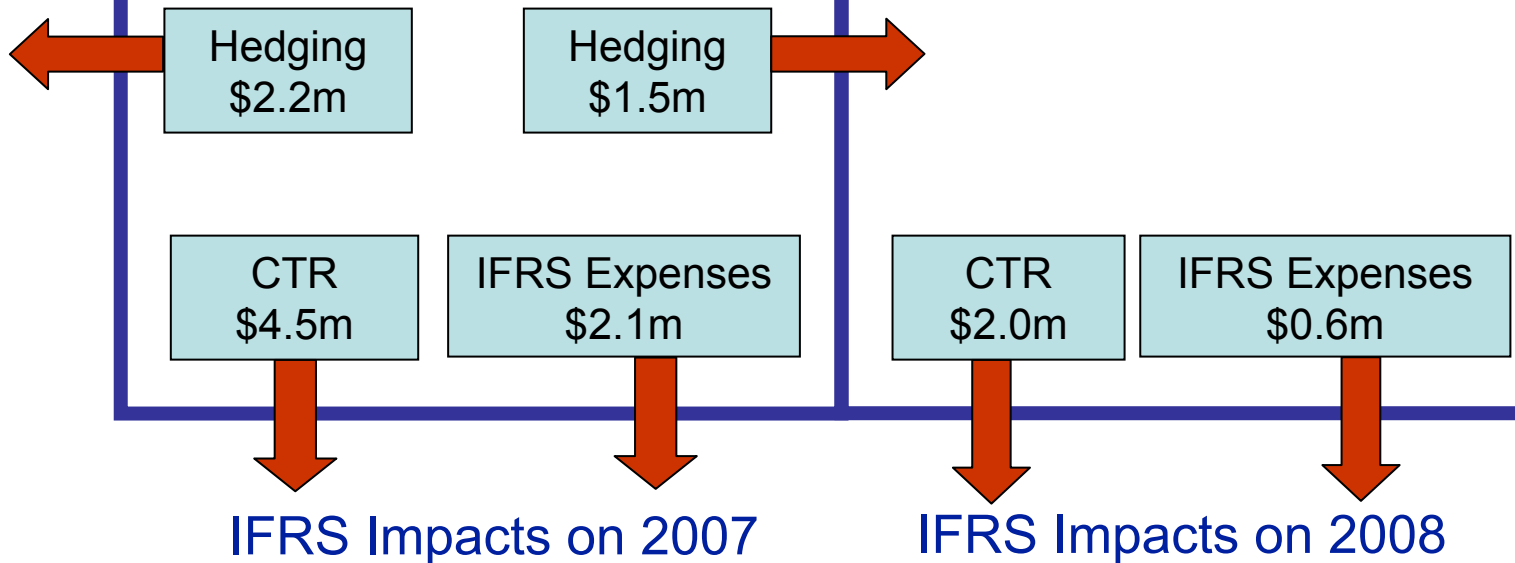
	<u>% Revenue</u>	<u>NZ\$M</u>	<u>%Δpcp</u>
Operating revenue	100%	357.9	+3%
Gross profit	50.3%	180.1	-8%
SG&A	27.3%	97.9	+2%
R&D	6.7%	24.1	+17%
Total Operating Expenses	34.1%	122.0	+5%
Operating Profit	16.2%	58.1	-27%

IFRS Operating Profit/EBIT

2006
Result

2007
Result

2008
Result



IFRS

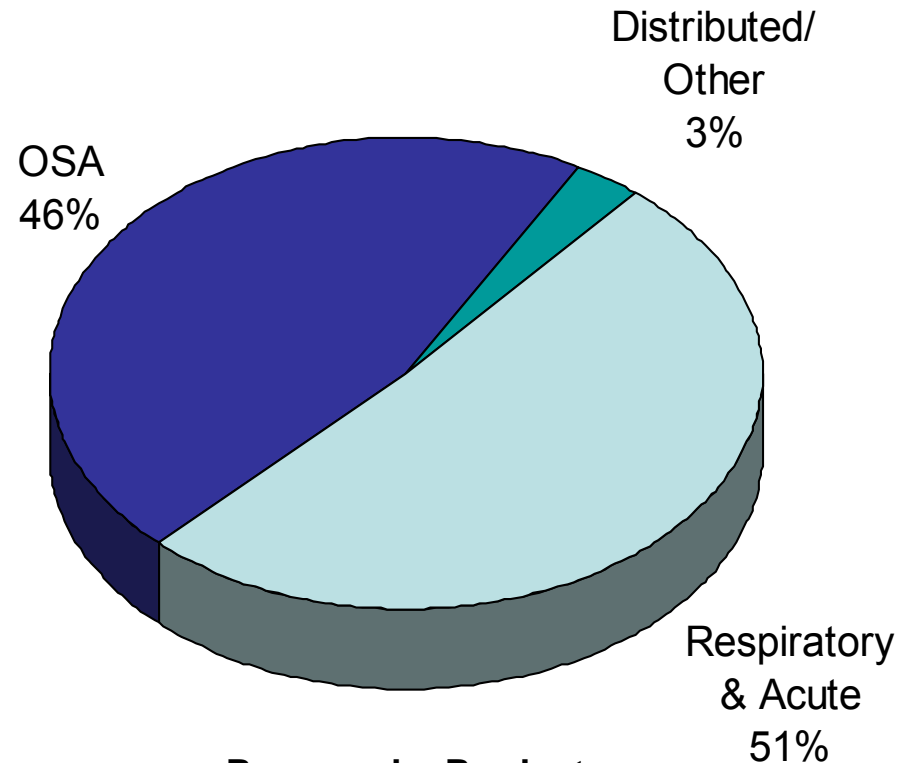
- 2006
 - NZ\$47.9m land value increase
- 2007
 - NZ\$2.0M expense increase
 - Share/option based remuneration
 - Long service leave
 - NZ\$0.4m balance sheet translation sensitivity on EBIT/operating profit
 - FX hedge accounting achieved

IFRS

- 2008
 - NZ\$0.6m expense increase
 - Share/option based remuneration
 - Long service leave (offset)
 - NZ\$0.5m balance sheet translation sensitivity on EBIT/operating profit
 - FX hedge accounting achieved

Markets and Products

- Respiratory & Acute Care
 - Heated Humidification
 - Respiratory Care
 - Neonatal Care
- Obstructive Sleep Apnea
 - Masks
 - Flow Generators
 - Humidifiers

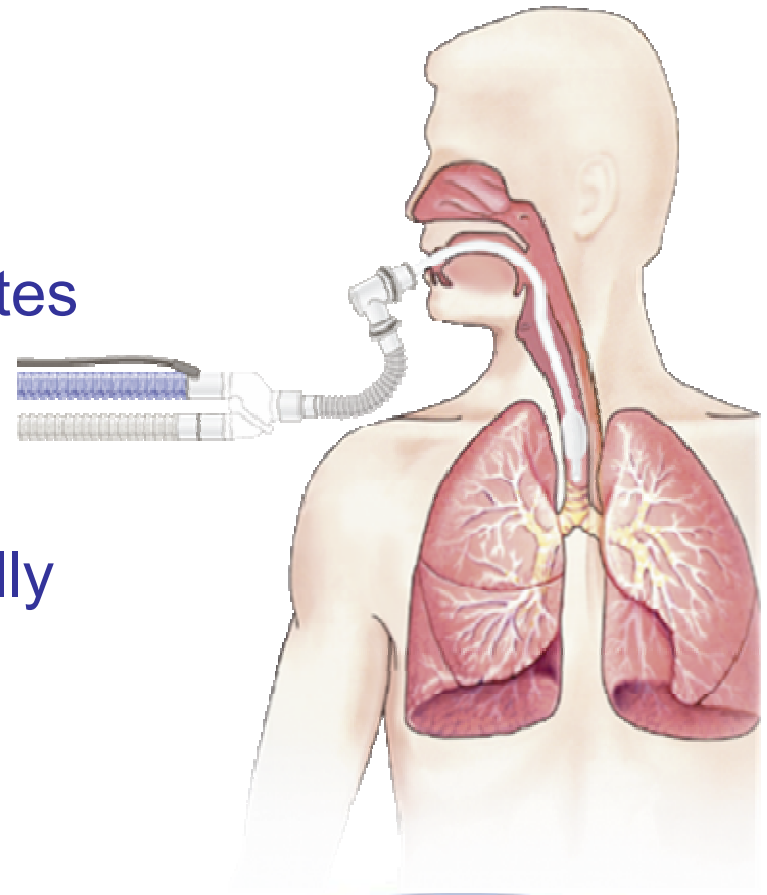


Revenue by Product
12 months to 31 March 2008

➤ Consumable and accessory products represent approx. 70% of core product revenue

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



Respiratory Humidification Systems

- MR850 Respiratory Humidifier System
 - invasive ventilation, O₂ therapy and non-invasive ventilation
- MR880 Respiratory Humidifier System
 - simpler controls
 - O₂ therapy
- MR810 Respiratory Humidifier System
 - entry level system
 - ventilation and O₂ therapy
 - optional heated breathing circuit
- HC550 Respiratory Humidifier System
 - invasive ventilation for home use



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



Neonatal Care

- Radiant Warmers

- warmers required in delivery and NICU
- precise and stable temperature control
- opportunity in operating room

- Infant CPAP System

- proprietary bubble CPAP, non-invasive, oscillating pressure
- lower risk alternative to ventilation
- high value consumable system

- Infant Resuscitator System

- precise pressure control
- consumable resuscitation kit



Expanding Opportunities



Invasive Ventilation



Non-invasive Ventilation



O₂ Therapy



Humidity Therapy



Laparoscopic Insufflation



COPD Humidity Therapy

New

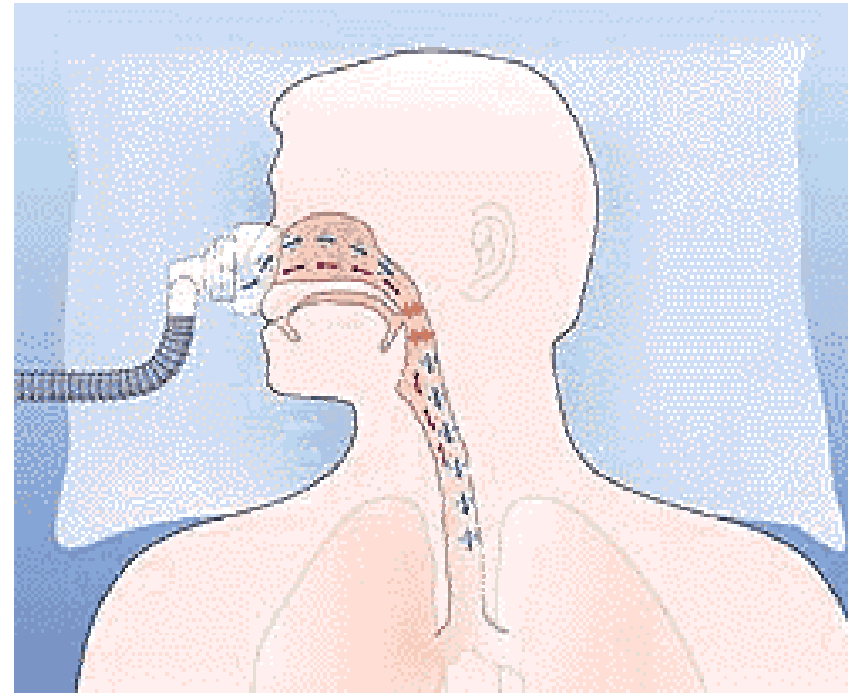
Respiratory & Acute Care Update

- 19% revenue growth US\$, 11% constant currency
- Lapped last year's Broadlane deliveries, another GPO contract in H1 09
- Continuing strong growth in consumables: breathing circuits, NIV masks, infant CPAP, resuscitation
- New applications generated 20% of consumables revenue



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\$1.8+ billion worldwide market, growing $\approx 15\%$
- 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

CPAP Systems

- HC150 Humidifier
- SleepStyle™ 200 Flow Generator series
 - patented Ambient Tracking™ humidification technology
 - Auto with SensAwake™
- SleepStyle™ 600 Flow Generator series
 - *ThermoSmart*™ heated breathing tube technology
 - more humidity
 - reduced symptoms, increased comfort



Mask Range

Four interface categories:

- **FlexiFit™ Nasal Masks**
 - patented sliding attachment
 - FlexiFit™ technology
- **FlexiFit™ Full Face Mask**
 - under chin seal
- **Oracle™ Oral Mask**
 - proprietary oral interface
- **Opus 360™ Nasal Pillows Mask**
 - very light



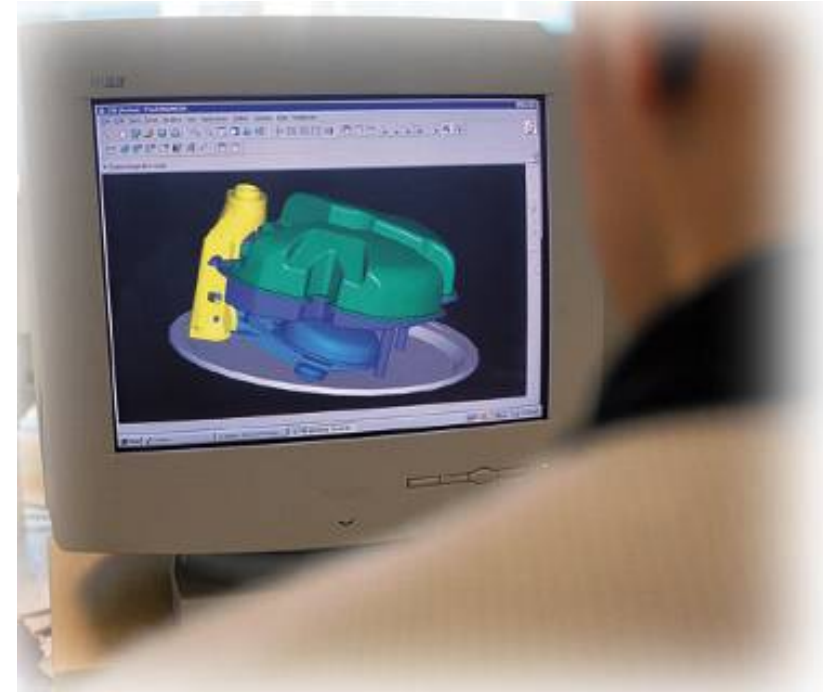
OSA Update

- 18% revenue growth US\$
- 21% US\$ revenue growth excluding add on humidifiers, 13% constant currency
- Auto pressure setting flow generator with SensAwake™ introduced
- CMS to pay for CPAP following home diagnosis



Research & Development

- 240 engineers, scientists, physiologists
- 6.7% of revenue FY08
- 15% R&D credit from 1 April 08
- Product pipeline includes
 - Flow generators
 - Masks
 - Humidification system for COPD therapy
 - Respiratory consumables
- 81 US patents, 60 US pending, 246 ROW, 256 ROW pending *



* at 31 March 2008

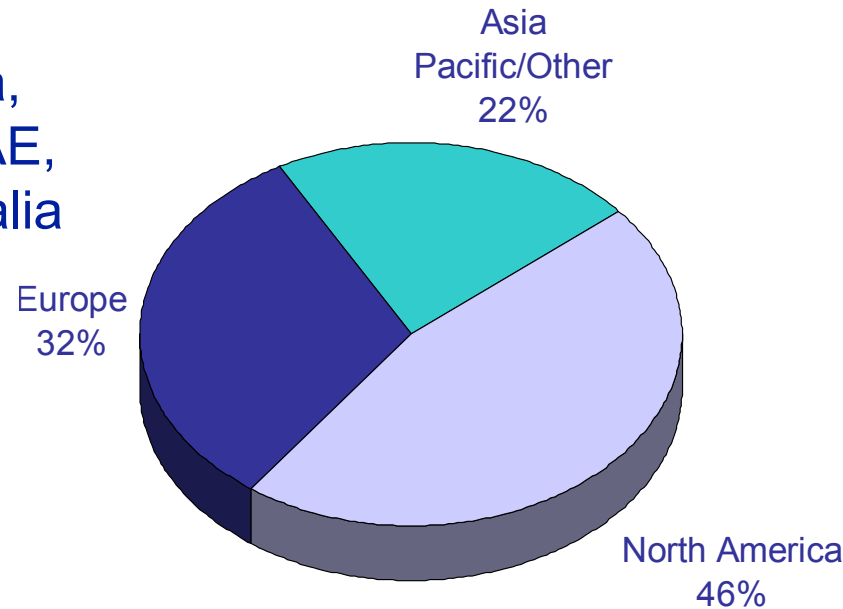
Manufacturing

- Vertically integrated
 - electronics assembly
 - injection moulding
 - motor assembly
- Ample capacity to grow
 - two buildings 51,000m²/550,000 ft² total
 - 100 acres/40ha land
 - investigating expansion offshore



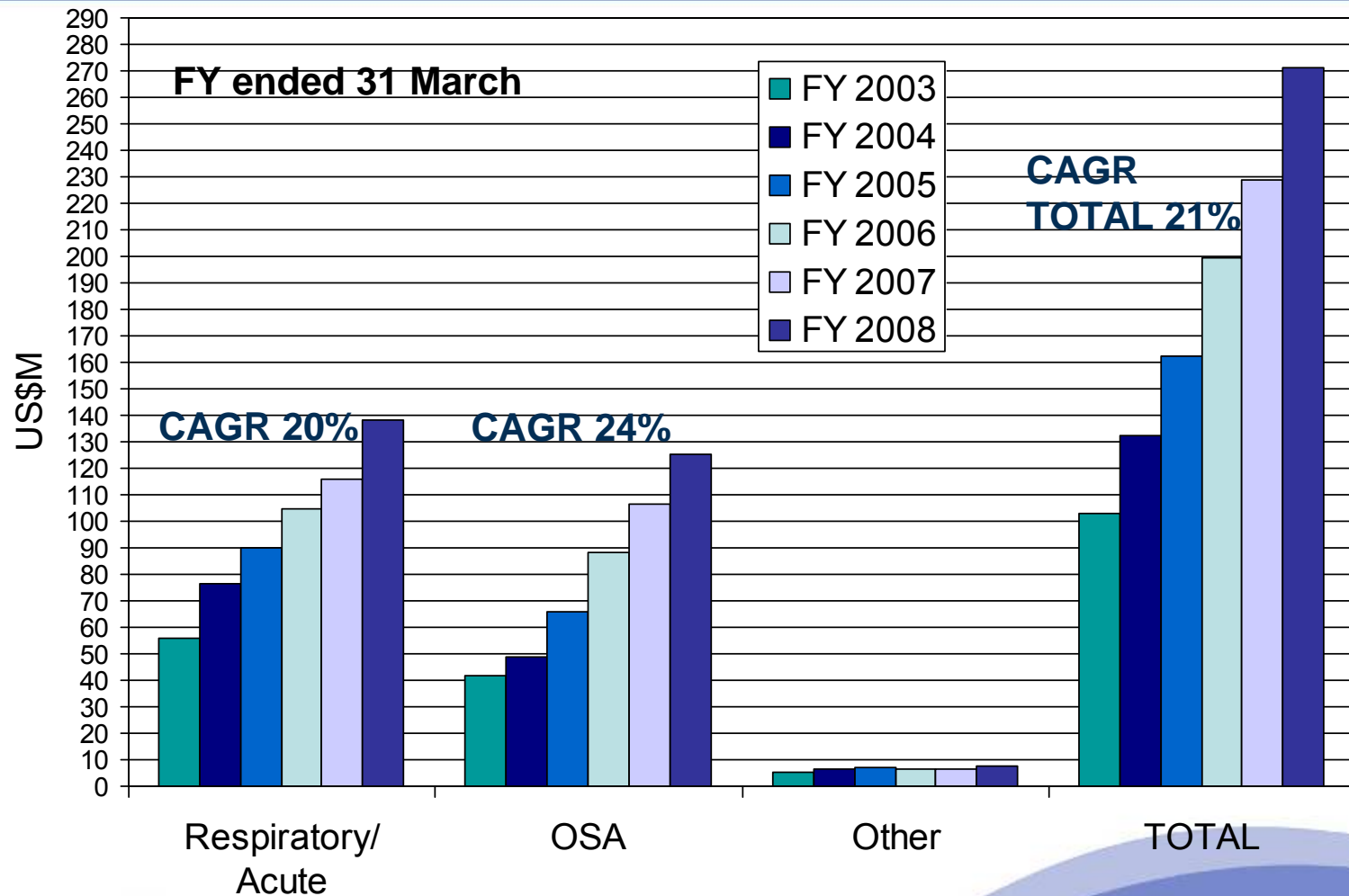
Global Presence

- Direct/offices
 - hospitals, home care dealers
 - Sales/support offices in USA/Canada, UK/Ireland, Europe, India, Japan, UAE, China, Taiwan, Turkey, Brazil, Australia and NZ
 - 400+ staff in 26 countries
 - Ongoing international expansion
- Distributors
 - 100 distributors worldwide
 - 110 countries in total
- Original Equipment Manufacturers
 - supply most leading ventilator manufacturers



Revenue by Region
12 months to 31 March 2008

Revenue Growth US\$



Balance Sheet

- NZD 7.0 cps final dividend, 50% imputed
- NZ\$80.9M net debt at 31 March 2008
- NZ\$195.7M total shareholders equity
- NZ\$331.7M total assets
- 25% pre-tax return on equity, 16% on total assets
- 30% new NZ tax rate from 1 April 08
- 15% R&D credit from 1 April 08

Growth Drivers

Consistent strategy:

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