

A dark blue world map is centered in the background of the slide. The text is overlaid on the map.

Fisher & Paykel

HEALTHCARE

FY08 Half Year Update & 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\$

H1 FY08 (6 mths)

| | <u>%Revenue</u> | <u>US\$M</u> | <u>%Δpcp</u> |
|--------------------------|-----------------|--------------|--------------|
| Operating revenue | 100% | 127.7 | +18% |
| Gross profit | 53.6% | 68.4 | +10% |
| SG&A | 28.9% | 36.9 | +23% |
| R&D | 6.6% | 8.5 | +38% |
| Total Operating Expenses | 35.5% | 45.4 | +26% |
| Operating Profit | 18.1% | 23.1 | -11% |

Operating Results NZ\$

H1 FY08 (6 mths)

| | <u>% Revenue</u> | <u>NZ\$M</u> | <u>%$\Delta$pcp</u> |
|--------------------------|------------------|--------------|--------------------------------|
| Operating revenue | 100% | 172.6 | +0% |
| Gross profit | 53.6% | 92.5 | -6% |
| SG&A | 28.9% | 49.8 | +5% |
| R&D | 6.6% | 11.5 | +18% |
| Total Operating Expenses | 35.5% | 61.3 | +8% |
| Operating Profit | 18.1% | 31.2 | -24% |

IFRS

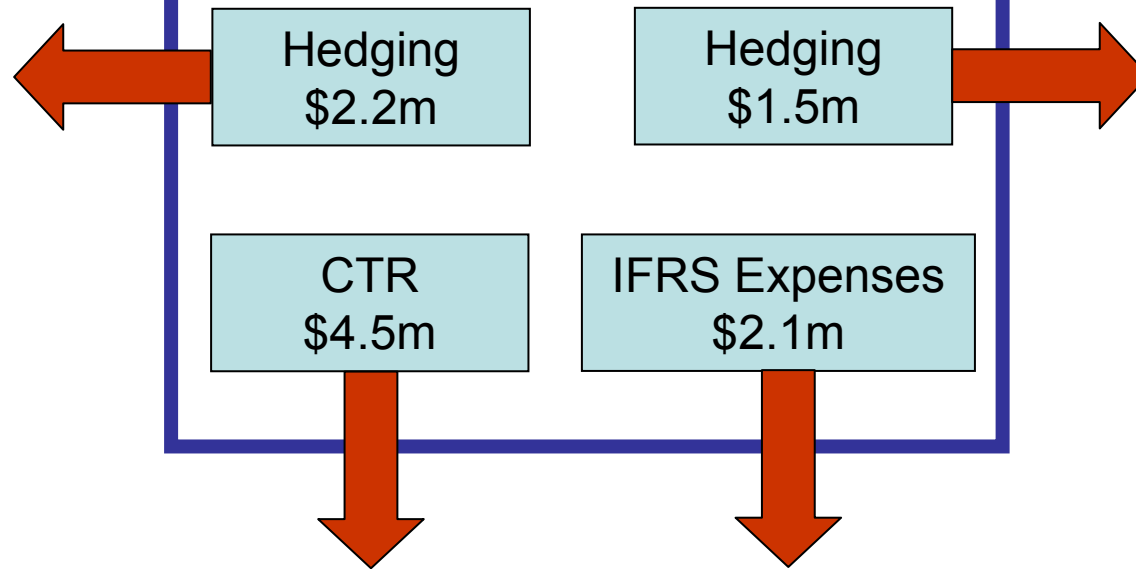
- NZ\$47.9m land value increase
- NZ\$2.0M expense increase
 - Share/option based remuneration
 - Long service leave
- NZ\$0.4m balance sheet translation sensitivity
- FX hedge accounting achieved

IFRS Operating Profit/EBIT

2006
Result

2007
Result

2008
Result

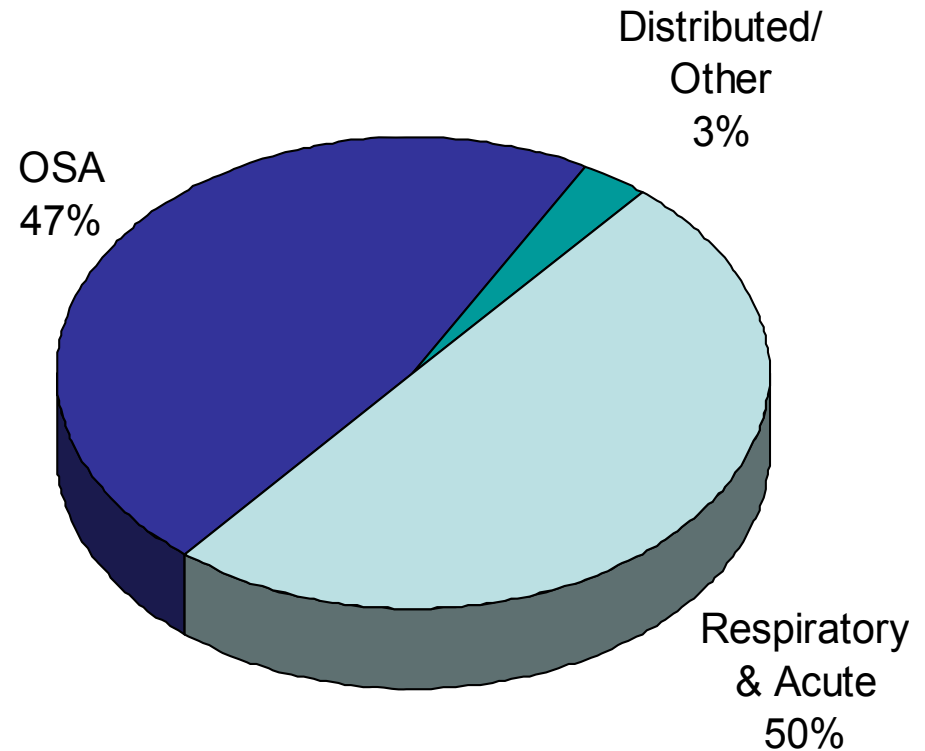


IFRS Impacts on 2007

Markets and Products

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

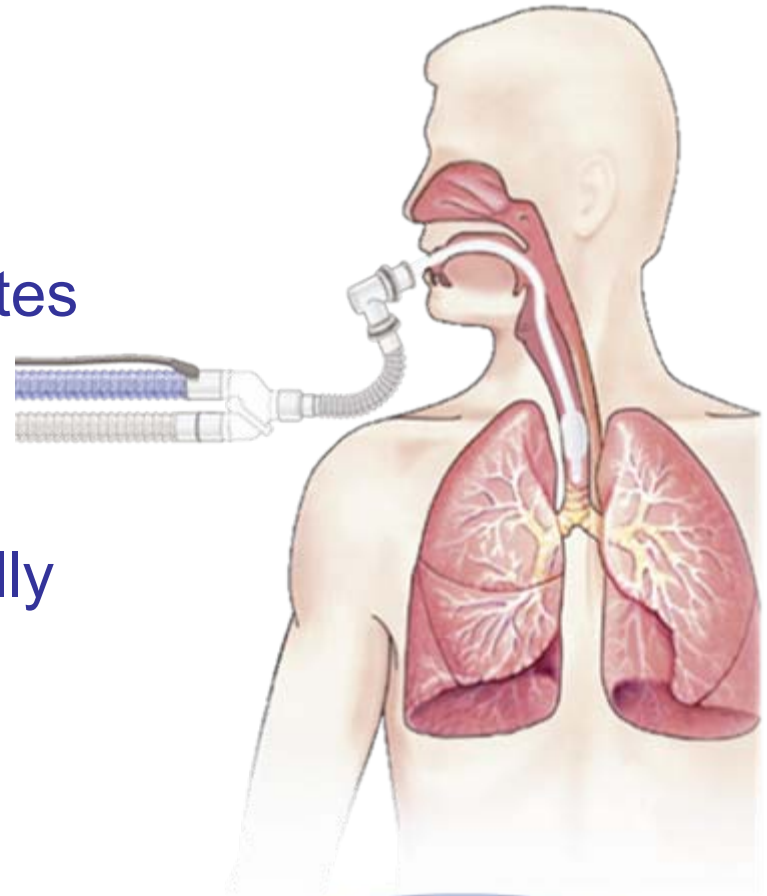
»»» Consumable and accessory products represent approx. 70% of core product revenue



Revenue by Product
6 months to 30 September 2007

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

New



O₂ Therapy

New



Humidity Therapy



Laparoscopic Insufflation

New



COPD Humidity Therapy

New

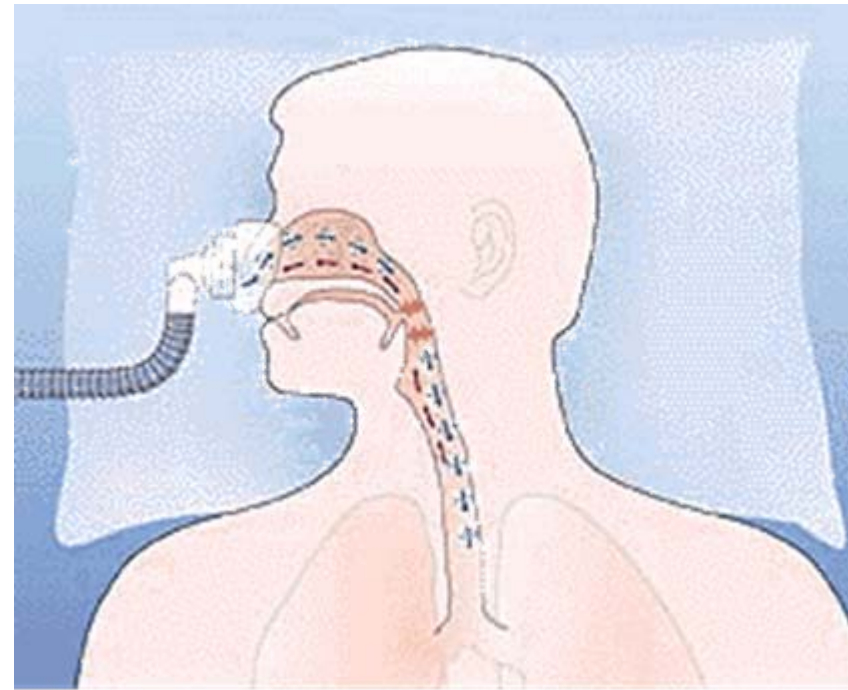
Respiratory & Acute Care Update

- 15% revenue growth US\$, 8% constant currency
- Lapped last year's Broadlane deliveries, Novation in second half
- Continuing strong growth in consumables: breathing circuits, NIV masks, infant CPAP, resuscitation
- Clinical data presented indicating >40% reduction in exacerbations for COPD patients using humidity therapy.



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 15% - 20%
- 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



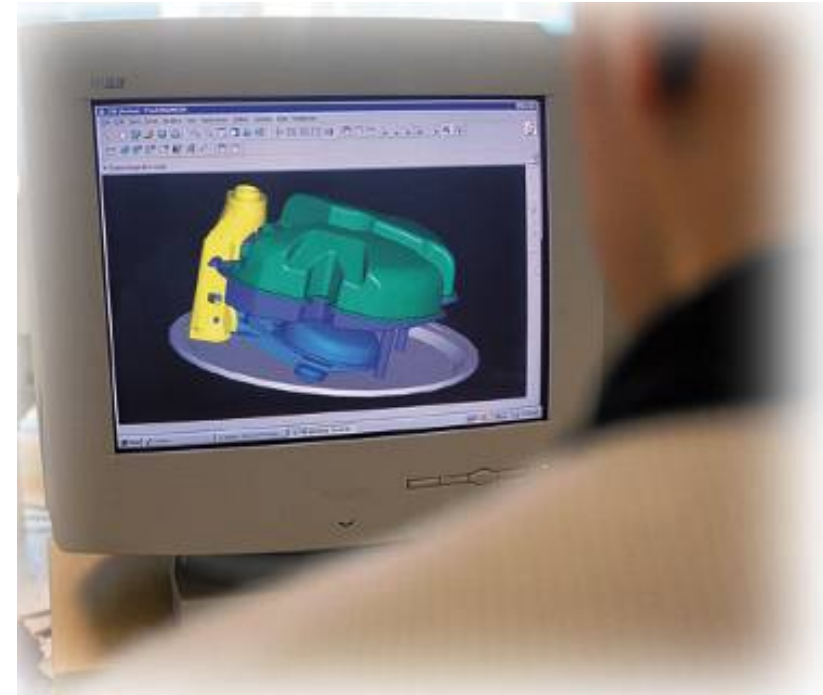
OSA Update

- 21% revenue growth US\$
- 25% revenue growth excluding add on humidifiers, 19% constant currency
- Auto pressure setting and SensAwake™ close to introduction



Research & Development

- 225 engineers, scientists, physiologists
- 6.6% of revenue H1 FY08
- Product pipeline includes
 - Flow generators, auto
 - Masks
 - Humidification system for COPD therapy
 - Respiratory consumables
- 76 US patents, 67 US pending, 208 ROW, 222 ROW pending *



* at 31 March 2007

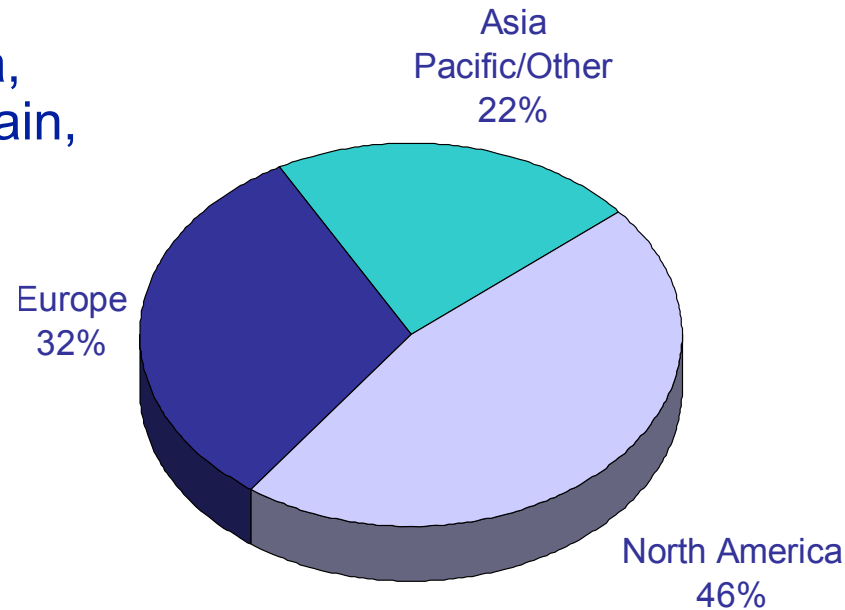
Manufacturing

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



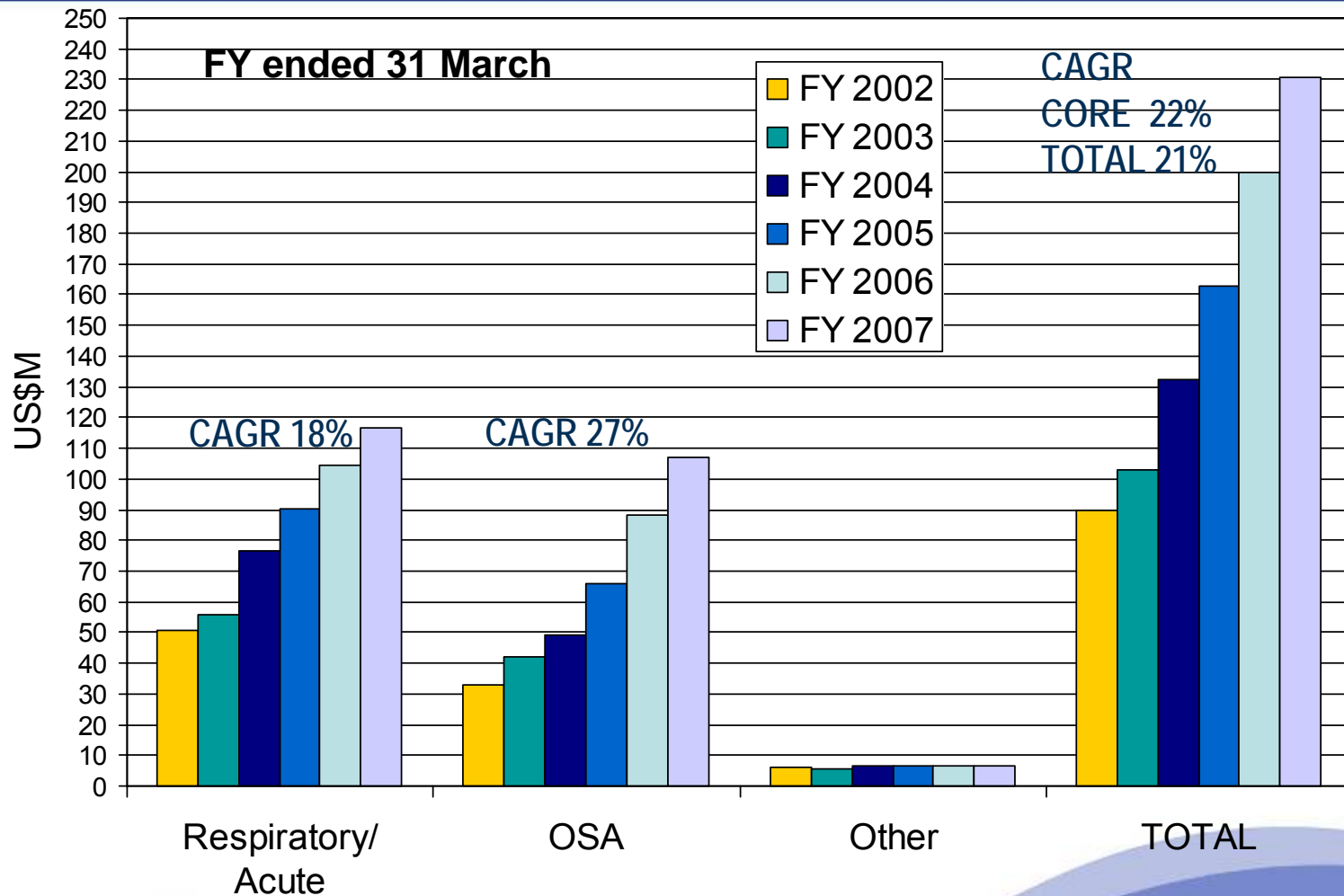
Global Presence

- **Direct/offices**
 - hospitals, home care dealers
 - Sales/support offices in USA/Canada, UK/Ireland, France/Benelux/Italy/ Spain, Germany/Austria/Switzerland, India, Japan, UAE, China, Taiwan, Turkey, Sweden, 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
6 months to 30 September 2007

Revenue Growth US\$



Balance Sheet

- NZD 5.4 cps interim dividend
- NZ\$76.2M net debt at 30 September 2007
- Completed NZ\$27M share buyback
- NZ\$208.8M total shareholders equity
- NZ\$333.4M total assets
- 27% annualised pre-tax return on equity,
18% on total assets

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