



「Care.」

FY2016 Business Highlights

- Released new range of products for use with the AIRVO™ 2 system including the Optiflow™+ nasal cannula range
- Eson™ 2 nasal mask and HumiGard™ SH870 surgical humidification system launched
- FPH assume more direct responsibility for sales and support of our hospital respiratory products in the US
- New SAP system goes live at our New Zealand and Mexico sites

Innovative new products launched



Optiflow™+ nasal
high flow cannula



F&P Eson™ 2
nasal mask



F&P HumiGard™ SH870
surgical humidification
system

Hospital / Respiratory & Acute Care (RAC)

Operating revenue growth	H2 FY2016
NZ\$	+26%
Constant currency	+19%

New applications consumables revenue growth	H2 FY2016
(Noninvasive ventilation (NIV), Optiflow™, AIRVO, Surgical)	
NZ\$	+45%
Constant currency	+36%

- New applications consumables now make up 51% of RAC consumables revenue, up from 46% in FY2015
- Strong customer demand for our Optiflow™ and AIRVO™ systems

Further positive clinical trial results:

- Use of Optiflow™ nasal high flow therapy reduced the risk of escalation for extubated patients within 72 hours, when compared with conventional oxygen therapy (Hernandez et al 2015)



Homecare / Obstructive Sleep Apnea (OSA)

Operating revenue growth

H2 FY2016

NZ\$	+19%
Constant currency	+11%

Mask revenue growth

H2 FY2016

Constant currency	+17%
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- Masks continue to take market share



F&P Simplus™



F&P Eson™ 2



F&P ICON™+



Info Technologies™

Second Half Financial Highlights

H2 FY2016 (6 months to 31 March 2016)

	Δ PCP [^]	Δ CC [*]
Operating revenue	+22%	+15%
Gross margin (bps increase)	+290bps	+213bps
Net profit after tax	+27%	+15%
Hospital/RAC operating revenue	+26%	+19%
RAC new applications consumables revenue	+45%	+36%
Homecare/OSA operating revenue	+19%	+11%
OSA masks revenue	+27%	+17%

[^] PCP = prior comparable period * CC = constant currency

Full Year Financial Highlights

FY2016 (12 months to 31 March 2016)

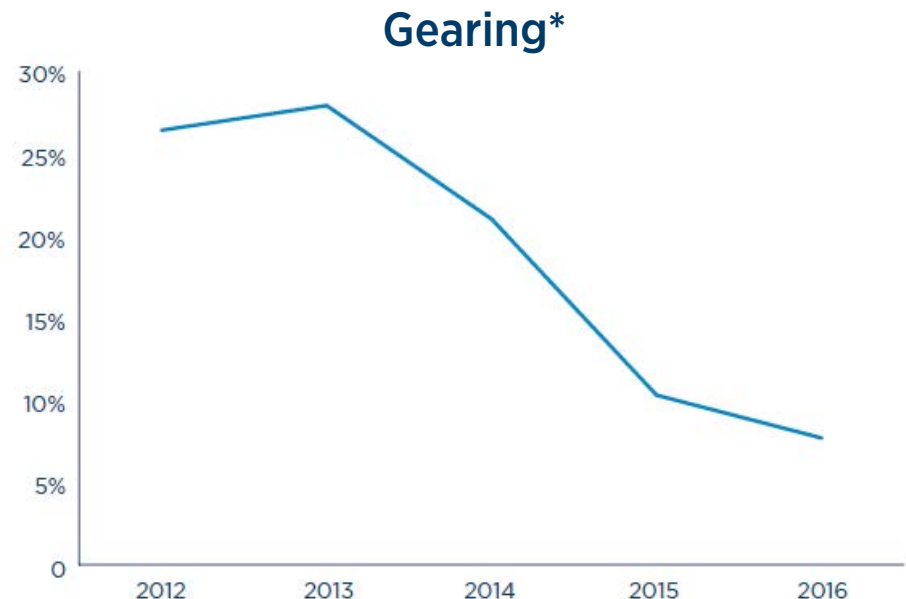
	NZ\$M	ΔPCP^	ΔCC*
Record operating revenue	815.5	+21%	+14%
Gross margin (bps increase)		+284bps	+278bps
Record net profit after tax	143.4	+27%	+19%
Record Hospital/RAC operating revenue	436.3	+22%	+15%
RAC new applications consumables revenue		+37%	+30%
Record Homecare/OSA operating revenue	365.8	+21%	+12%
OSA masks revenue		+31%	+21%

**Recurring items, consumables and accessories
approximately 83% of operating revenue (H1 FY16: 83%)**

^ PCP = prior comparable period * CC = constant currency

Dividend and Gearing

- Increased final dividend by 25%:
 - 10.0 cps + 3.8889 cps imputation credit for NZ residents (gross dividend of NZ 13.8889 cps)
 - Fully imputed
 - 1.7647 cps non-resident supplementary dividend
 - Dividend reinvestment plan available for New Zealand and Australian residents, no discount will apply
- Gross dividend 23.1945 cps, yield ~2.3%
- Target gearing ratio* of +5% to -5% debt to debt plus equity
 - Gearing ratio at 31 March 2016 was 7.7%



- Expect at exchanges rates of NZD:USD 0.68, NZD:EUR 0.61
 - Operating revenue – approximately NZ\$900 million
 - Net profit after tax – approximately NZ\$165 – NZ\$170 million

An aerial photograph of a large sports complex. In the foreground, there are several large parking lots filled with cars. To the left, a baseball field is visible. The complex consists of several large, modern buildings with white roofs and glass facades. In the background, there is a large green field, possibly a golf course or a park, and a residential area with houses and trees. The sky is blue with some clouds. The word "Overview." is written in large white letters across the center of the image.

Overview.

Fisher & Paykel Healthcare at a Glance

Global leader in respiratory humidification devices

- Medical device manufacturer with leading positions in respiratory care and obstructive sleep apnea
- 45 years' experience in changing clinical practice to solutions that provide better clinical outcomes and improve effectiveness of care
- Estimated US\$6+ billion and growing market opportunity driven by demographics
- Significant organic long-term growth opportunities in respiratory care, OSA, COPD and surgery
- Large proportion (83%) of revenue from recurring items, consumables and accessories
- High level of innovation and investment in R&D with strong product pipeline
- High barriers to entry

Global presence



Strong financial performance

- Continued target, and history of, doubling our revenue (in constant currency terms) every 5 to 6 years
- Targeting gross margin of 65% and operating margin of 30%
- Growth company with targeted dividend pay-out ratio of approximately 70% of net profit after tax

Consistent growth strategy

Competitive Advantage – 45 Years' Experience

- Significant expertise in, and history of, changing clinical practice to therapies that improve clinical outcomes, are more effective and efficient and that ultimately reduce cost to the healthcare system
 - Heated humidification in invasive ventilation
 - Heated humidification in CPAP therapy for OSA patients
 - Optiflow™ nasal high flow therapy displacing use of conventional oxygen therapy in the hospital
 - Optiflow™ nasal high flow therapy in the home for the treatment of patients with chronic respiratory conditions
 - Introduction of heated humidification in open and laparoscopic surgery



~US\$6+ Billion and Growing Market Opportunity

HOSPITAL / RESPIRATORY & ACUTE CARE

Invasive Ventilation



Noninvasive Ventilation



Hospital Respiratory Support



Surgical Humidification



HEMOCARE / OBSTRUCTIVE SLEEP APNEA

Home Respiratory Support



CPAP Therapy



“NEW APPLICATIONS”

Applications outside of invasive ventilation

Markets & Products

- Hospital / Respiratory & Acute Care (RAC)

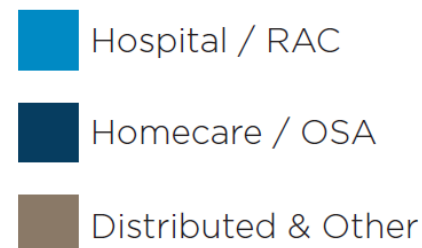
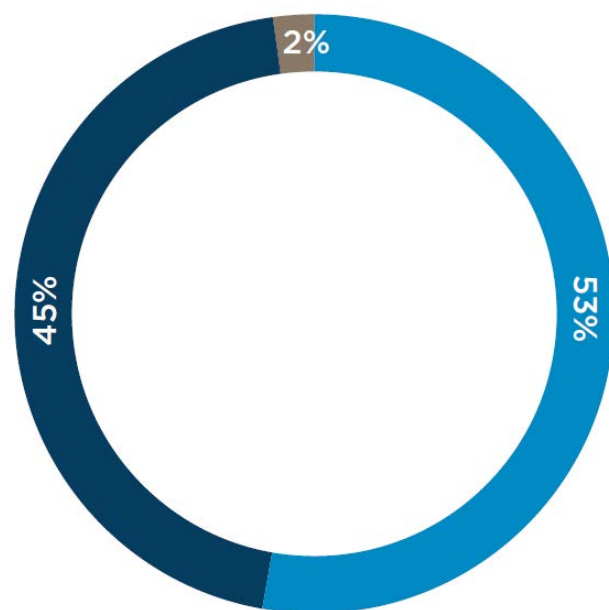
- Heated humidification
- Respiratory care
- Neonatal care
- Surgery

- Homecare / Obstructive Sleep Apnea (OSA)

- Masks
- Flow generators
- Data management tools
- Respiratory care in the home

Recurring items, consumables and accessories approximately 83% of operating revenue (H1 FY16: 83%)

**Revenue by Product Group
12 months to 31 March 2016**

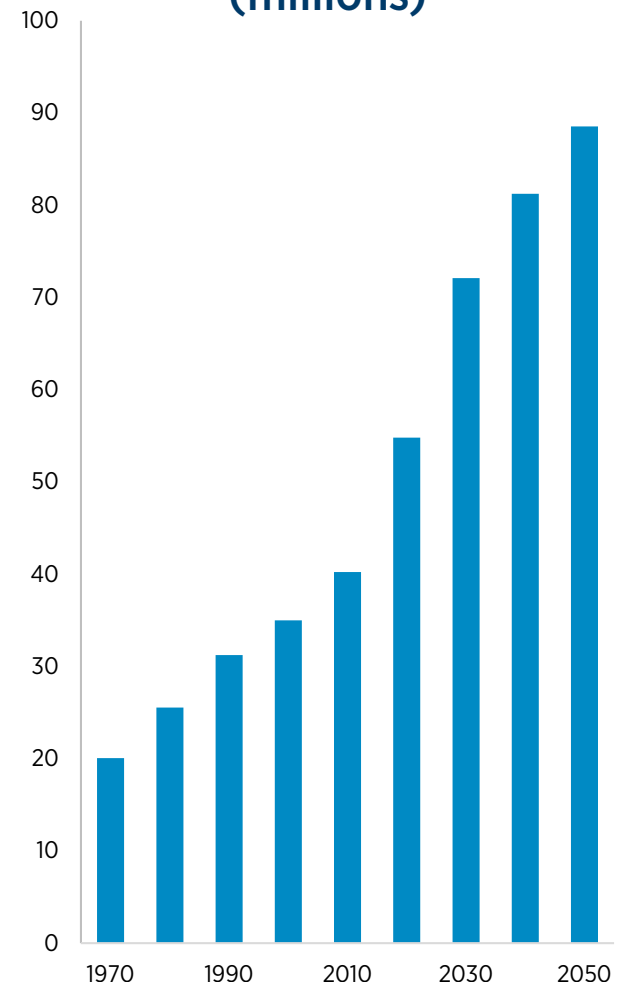


Impact of Changing Demographics

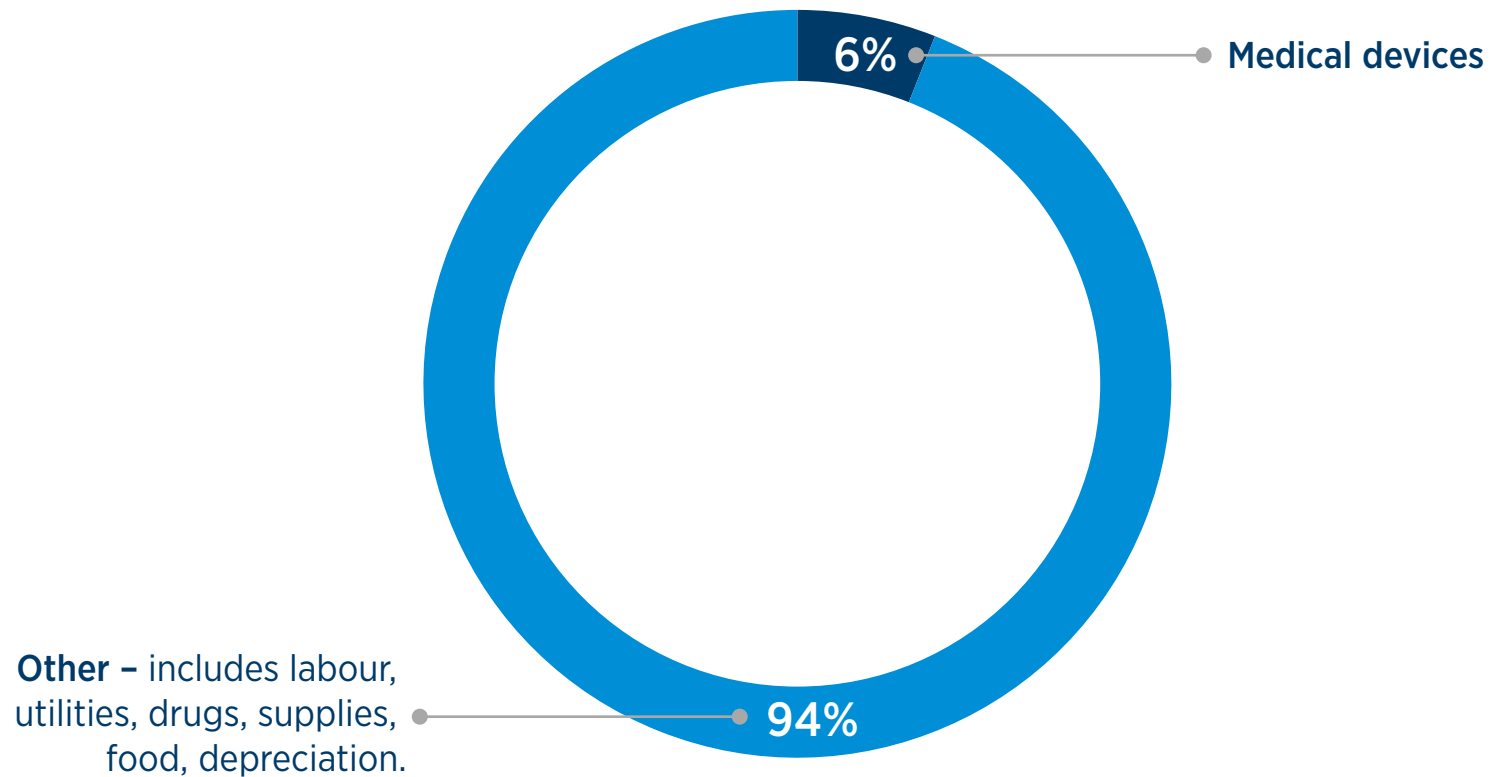
- Population age and weight both increasing
 - US population 65 years+ to grow ~80% over next 20 years¹
 - US males 60 - 74 years, average weight increased 0.4 kg/year since 1960²
- 60% of US healthcare cost is after age 65 years³
- Developing markets increasing healthcare spending
 - China healthcare expenditure increased 19% in 2012, expected to triple by 2020⁴



US Population over age 65 (millions)



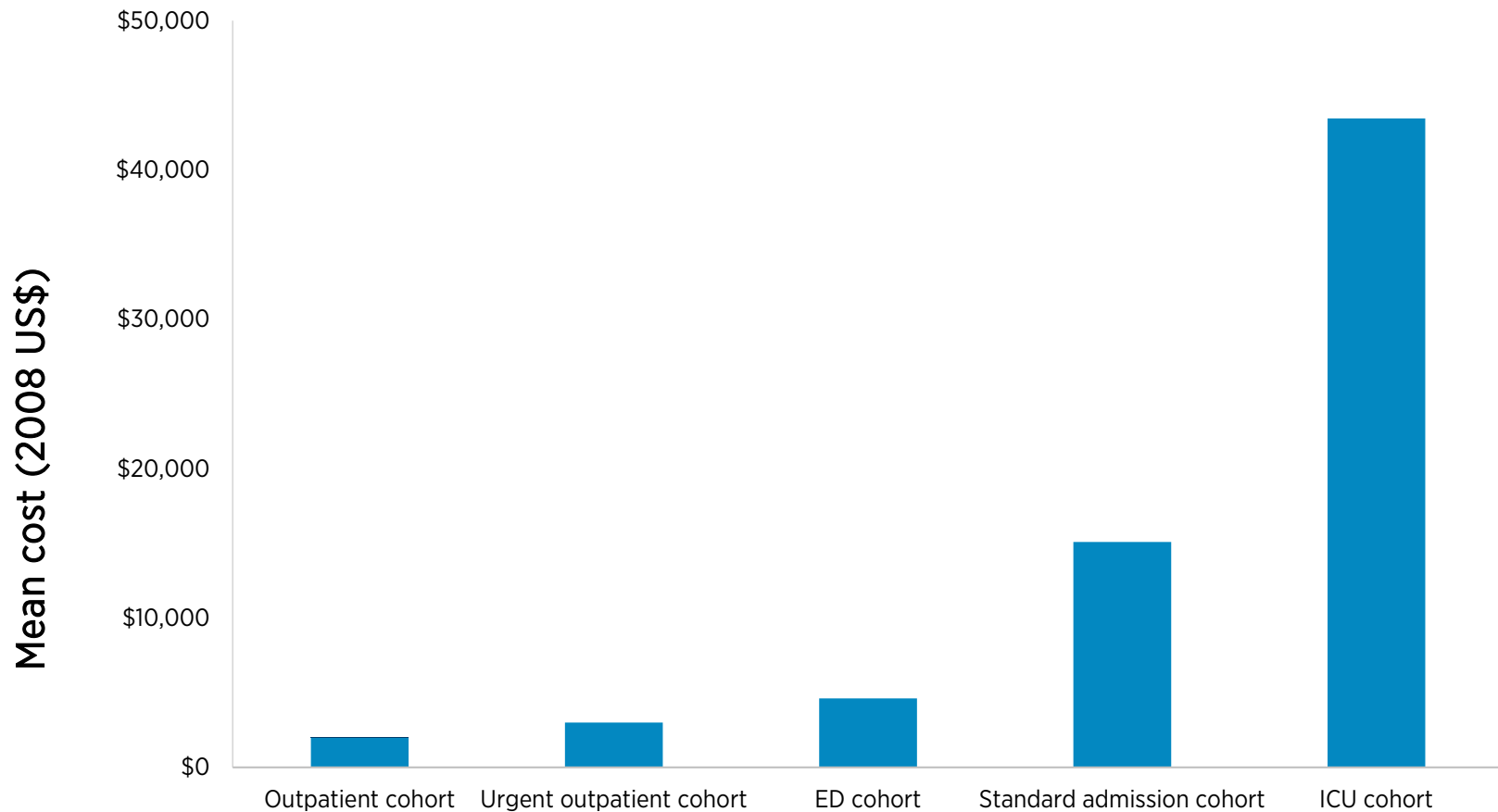
Hospital Cost Breakdown



Source: Estimates of Medical Device Spending in the United States, Donahoe, G and King, G, June 2014

Lower Care Intensity = Lower Cost

**Mean Annual COPD-Related Medical,
Pharmacy, and Total Costs by Care Intensity Cohort**



Source: Anand A Dalal, Laura Christensen, Fang Liu, and Aylin A Riedel. Direct costs of chronic obstructive pulmonary disease among managed care patients. *Int J Chron Obstruct Pulmon Dis*. 2010; 5: 241-249.

Hospital / Respiratory & Acute Care (RAC)

Invasive
Ventilation



Noninvasive
Ventilation



Hospital
Respiratory Support



Surgical
Humidification

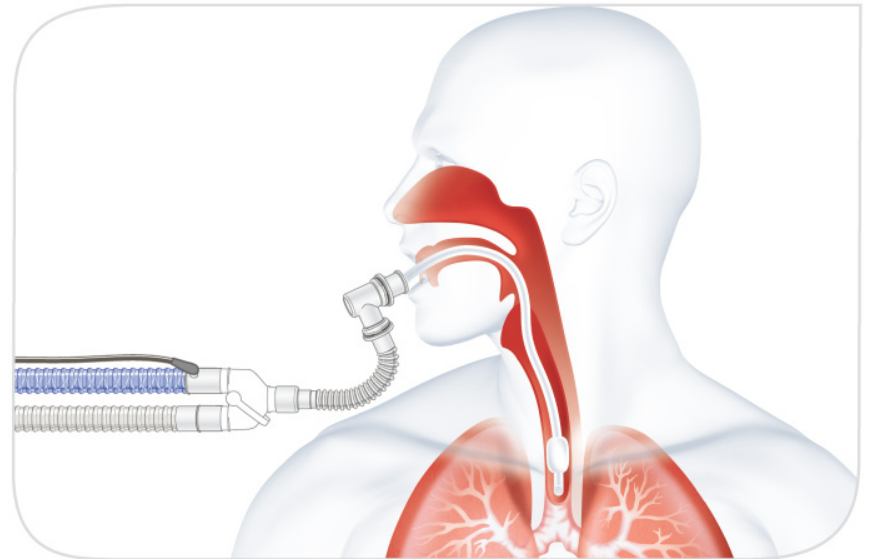


“NEW APPLICATIONS”

Applications outside of invasive ventilation

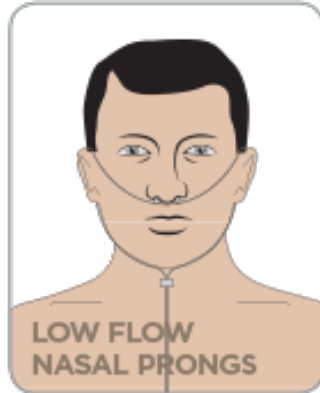
Respiratory Humidification

- Normal airway humidification is bypassed or compromised during ventilation or oxygen therapy
- Mucociliary transport system operates less effectively
- Need to deliver gas at physiologically normal levels
 - 37°C body core temperature
 - 44mg/L 100% saturated

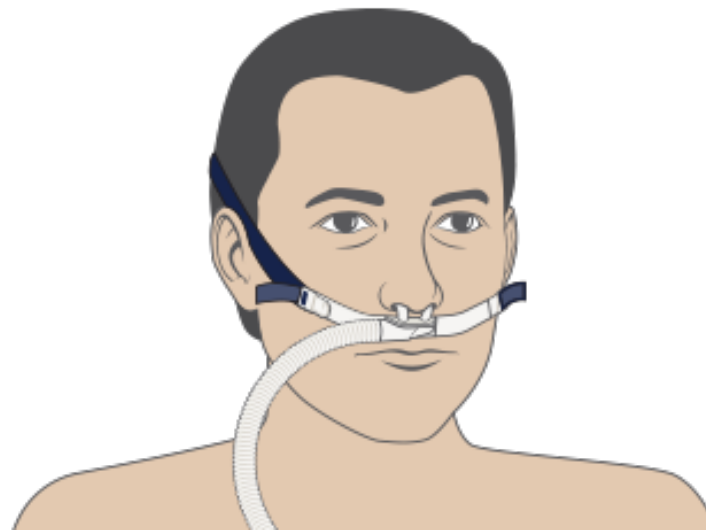
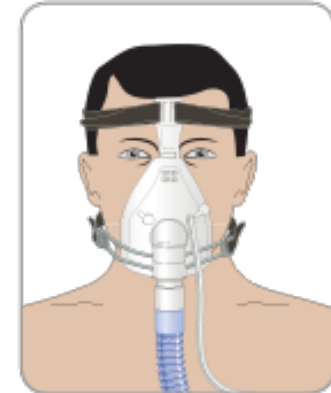


Optiflow™ - Displacing Conventional Oxygen Therapy

CONVENTIONAL OXYGEN THERAPY



NONINVASIVE VENTILATION



Clinical Outcomes of Optiflow™ Nasal High Flow Therapy

Optiflow is associated with:

ADULTS:

- REDUCED intubation⁵
- REDUCED re-intubation^{6, 7, 8}
- REDUCED bilevel ventilation⁷
- REDUCED nursing workload⁷
- INCREASED ventilator free days⁵
- IMPROVED comfort & patient tolerance⁶
- IMPROVED compliance⁶

PAEDIATRICS:

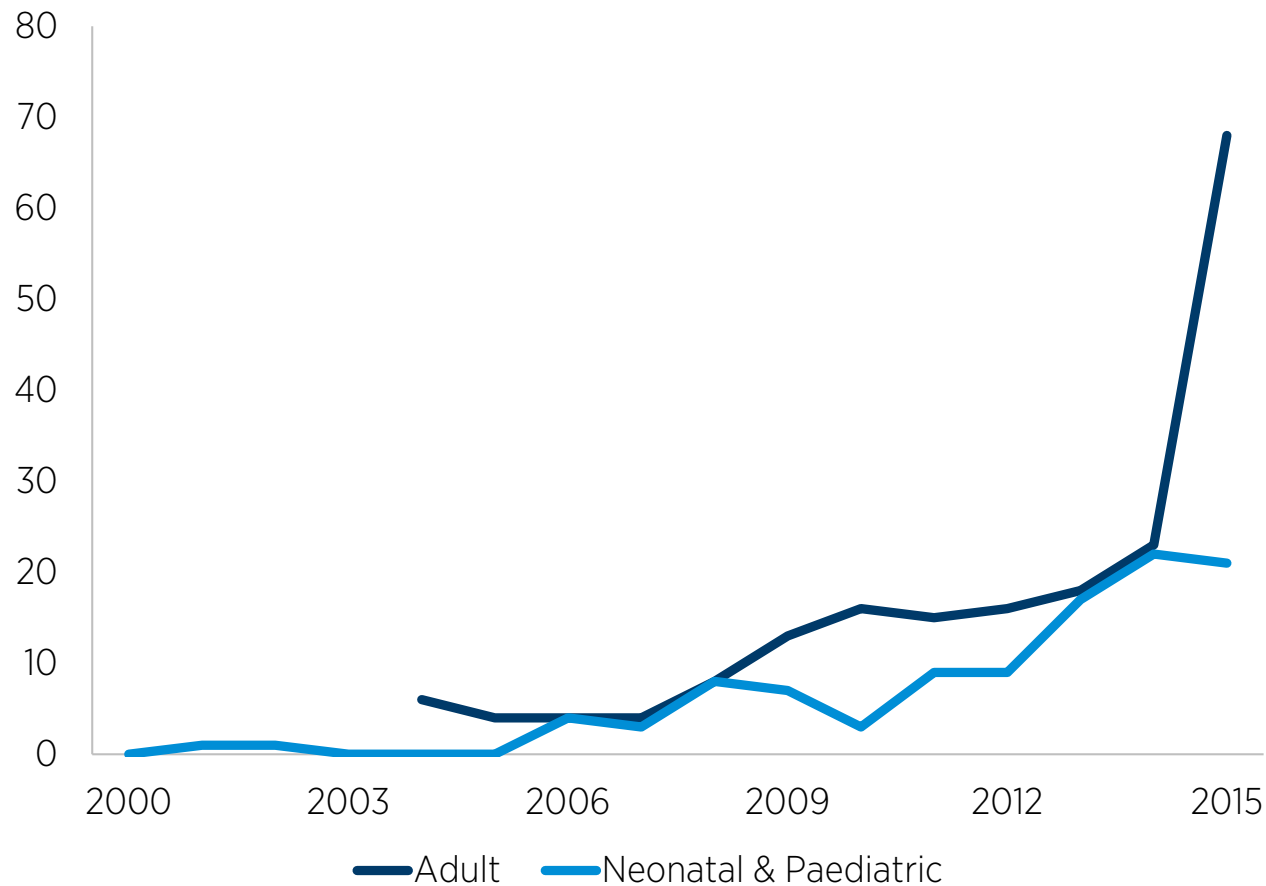
- REDUCED intubation⁹
- REDUCED length of stay¹⁰
- REDUCED respiratory distress¹¹

NEONATES:

- NONINFERIORITY with nasal CPAP¹²
- REDUCED nasal trauma^{13, 14}
- REDUCED respiratory distress¹⁵

Optiflow™ - A Growing Body of Clinical Evidence

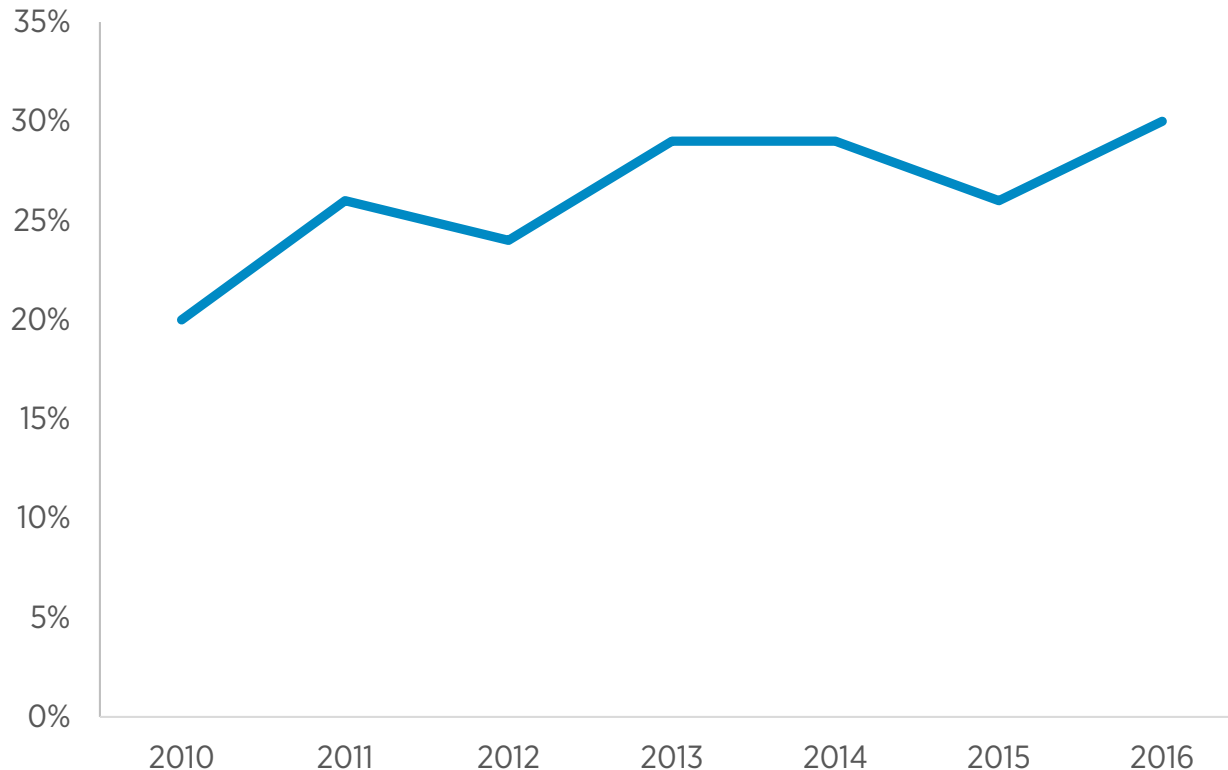
**Nasal High Flow Clinical Papers
Published Annually**



Source: PubMed

Consistently Strong Growth in Hospital New Applications

Constant Currency Revenue Growth Rate in New Applications Consumables



- New applications consumables now make up 51% of Hospital/RAC consumables revenue, up from 46% in FY2015

New applications consumables: Noninvasive ventilation, Optiflow, AIRVO, Surgical

Homecare / Obstructive Sleep Apnea (OSA)

Home
Respiratory Support



CPAP
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\$3+ billion worldwide market, growing approximately 6-8% p.a.
- Estimate >50 million people affected in developed countries
- Most common treatment is CPAP (Continuous Positive Airway Pressure)
 - Key issue with CPAP is compliance
 - Humidification provides significant acceptance and compliance improvements



Revolutionary Masks

- Market leading mask technology
- Unique, patented designs
- Mask Matters Most
 - Masks are key to compliance



F&P ESON 2



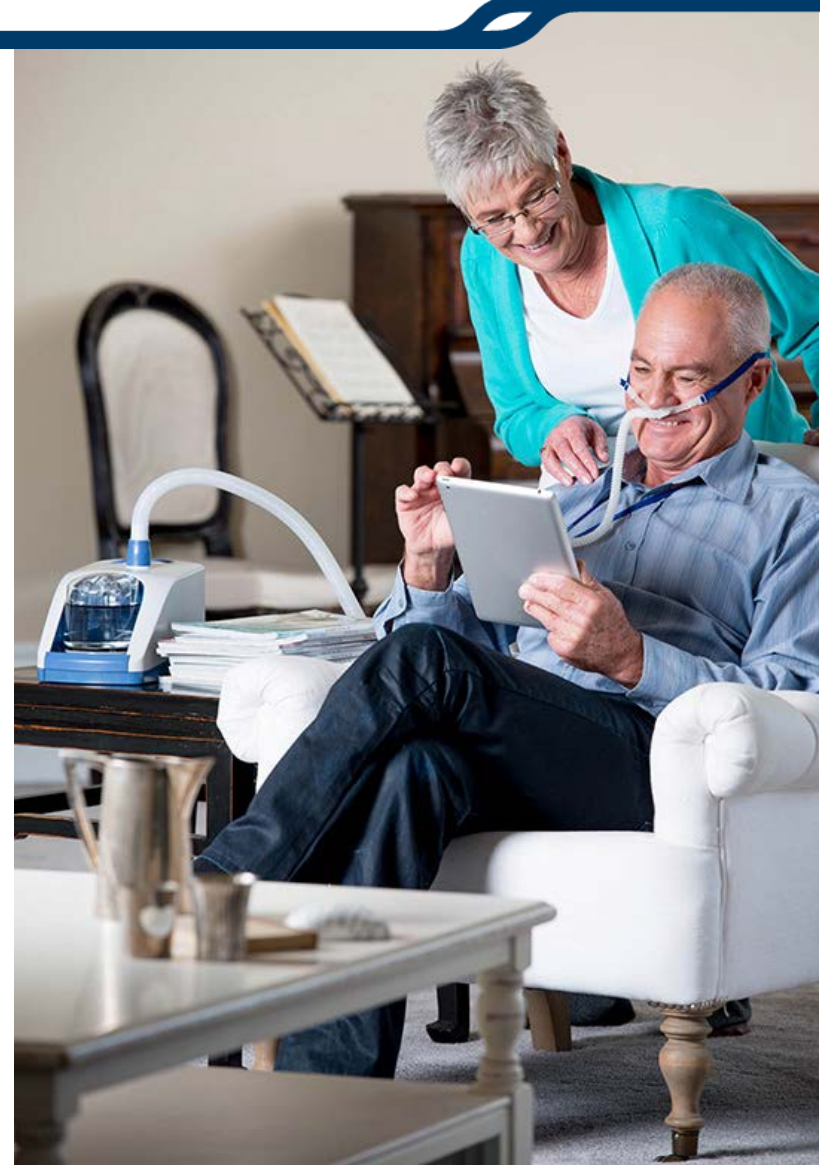
F&P SIMPLUS



F&P PILAIRO Q

Home Respiratory Support for COPD

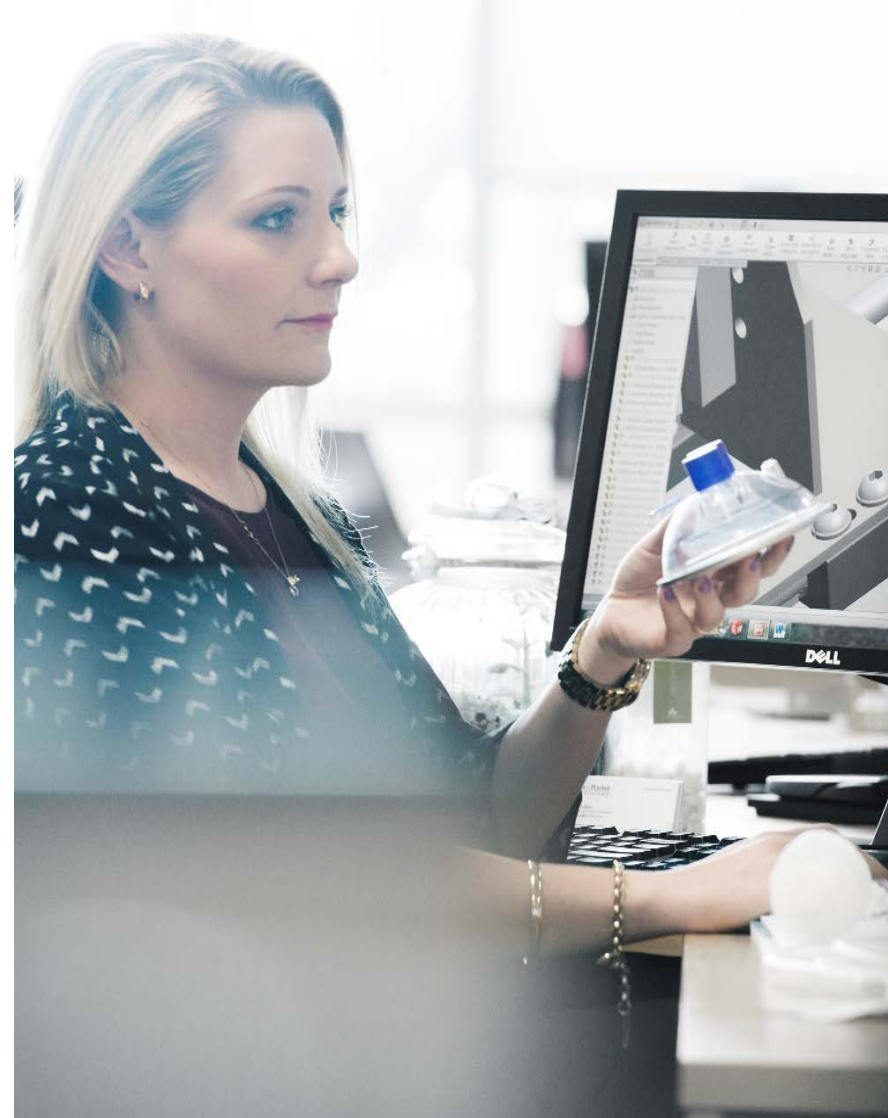
- Chronic obstructive pulmonary disease (COPD) is a lung disease which is commonly associated with smoking
- Emphysema and chronic bronchitis are both forms of COPD
- Chronic respiratory disease, primarily COPD, is the third leading cause of death in the US¹⁶
- 6% of US adults have been diagnosed with COPD¹⁷ (~15 million people)
- 4-10% COPD prevalence worldwide¹⁸ (~400 million people)



High Level of Innovation and Investment in R&D

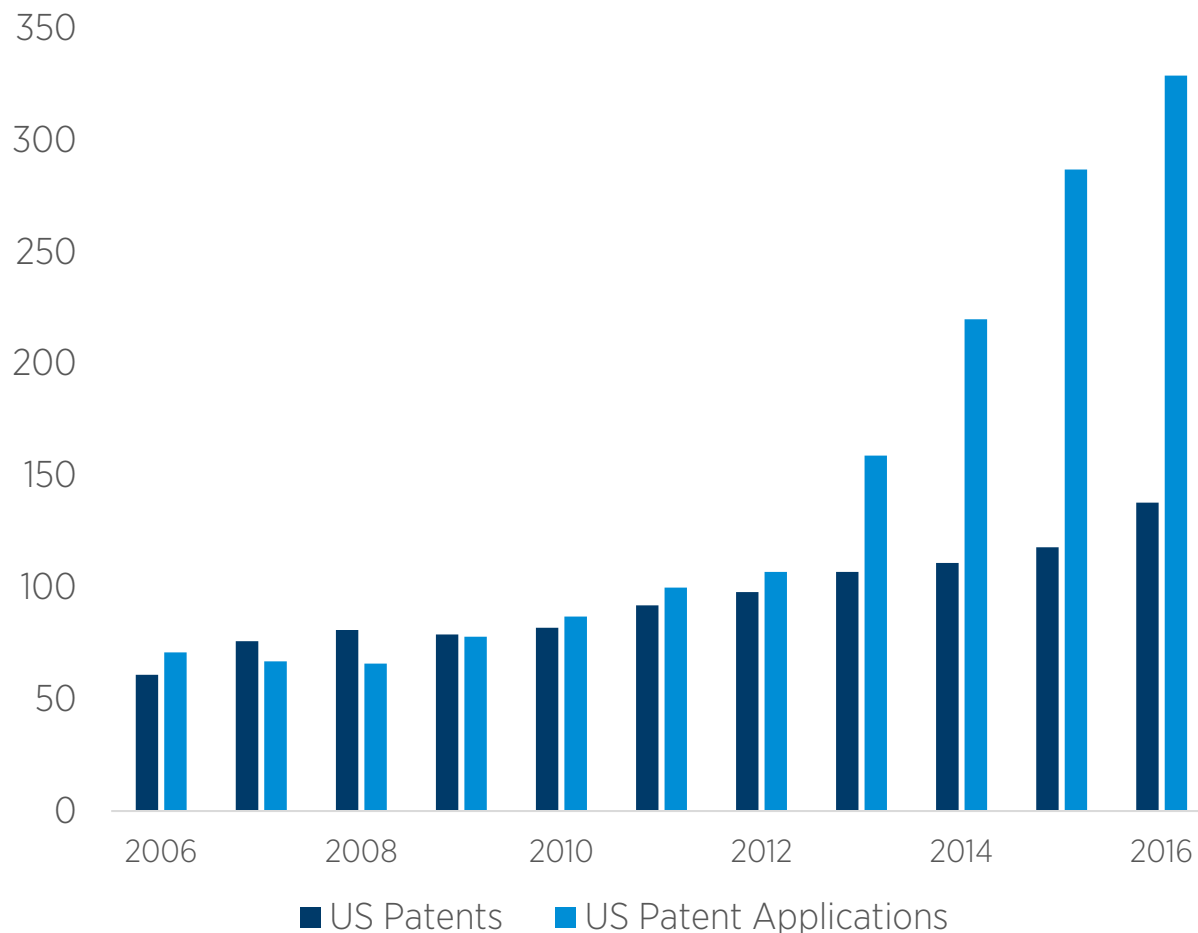
- R&D represents 9% of operating revenue:* NZ\$73.3M
- Product pipeline includes:
 - Humidifier controllers
 - Masks
 - Respiratory consumables
 - Flow generators
 - Compliance monitoring solutions
- 138 US patents, 329 US pending, 559 ROW, 582 ROW pending*

* As at 31 March 2016



Growing Patent Portfolio

Fisher & Paykel Healthcare US Patent Portfolio (2006 – 2016)



○ Average remaining life of FPH patent portfolio: 15.8 years*

Manufacturing & Operations

- Vertically integrated
 - COGS improvements: Mexico, lean manufacturing, supply chain
- Ample capacity to grow

Auckland, New Zealand

- Three buildings:
82,000 m² / 885,000 ft² total
- 100 acres / 40 hectares land

Tijuana, Mexico

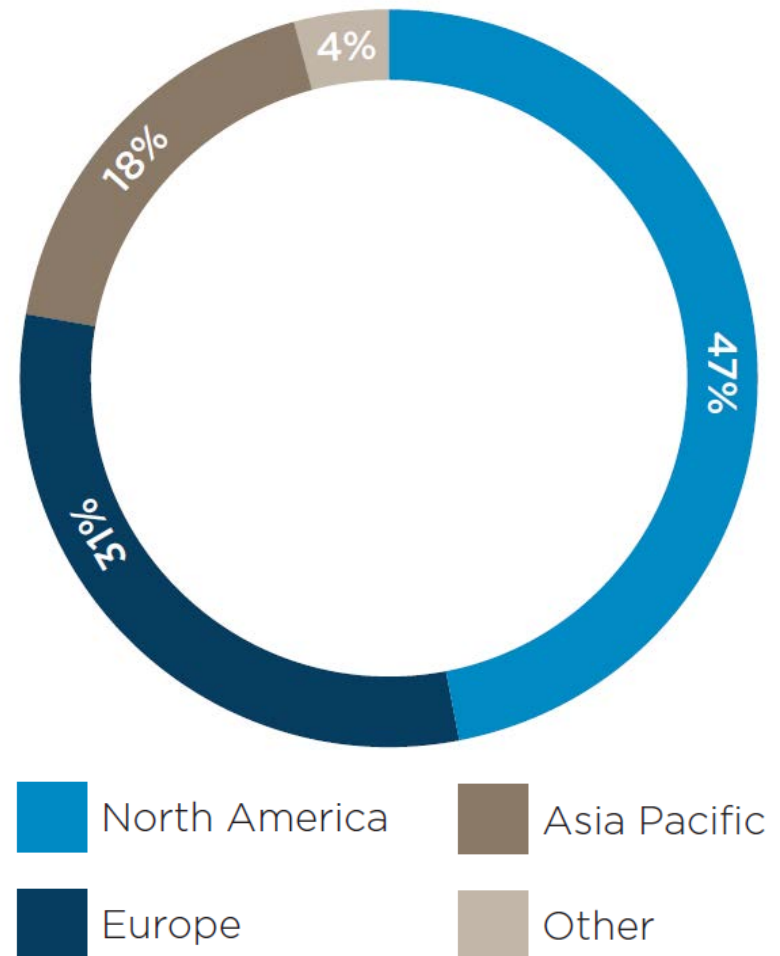
- 18,000 m² / 200,000 ft²
- Consumables capacity ramping up



Strong 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
 - More than 700 staff in 29 countries
 - Ongoing international expansion
- Distributors
 - 100+ distributors worldwide
- Original Equipment Manufacturers
 - Supply most leading ventilator manufacturers
- Sell in more than 120 countries in total

Revenue by Region
12 months to 31 March 2016

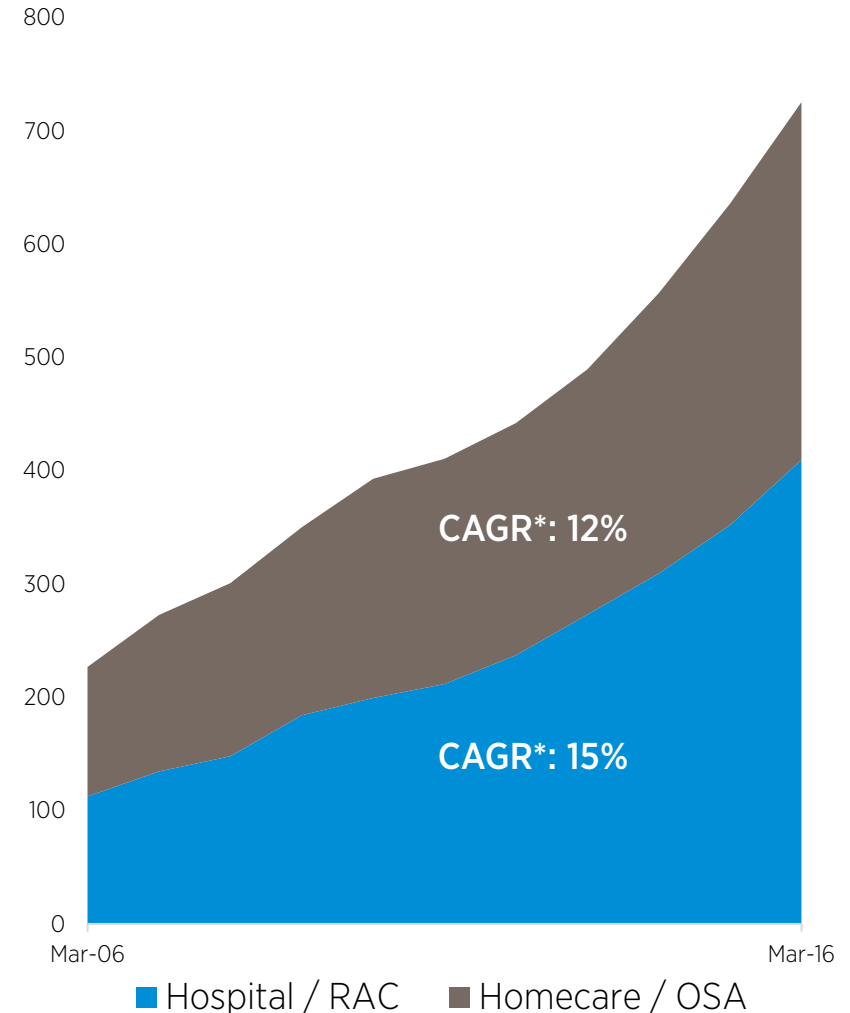
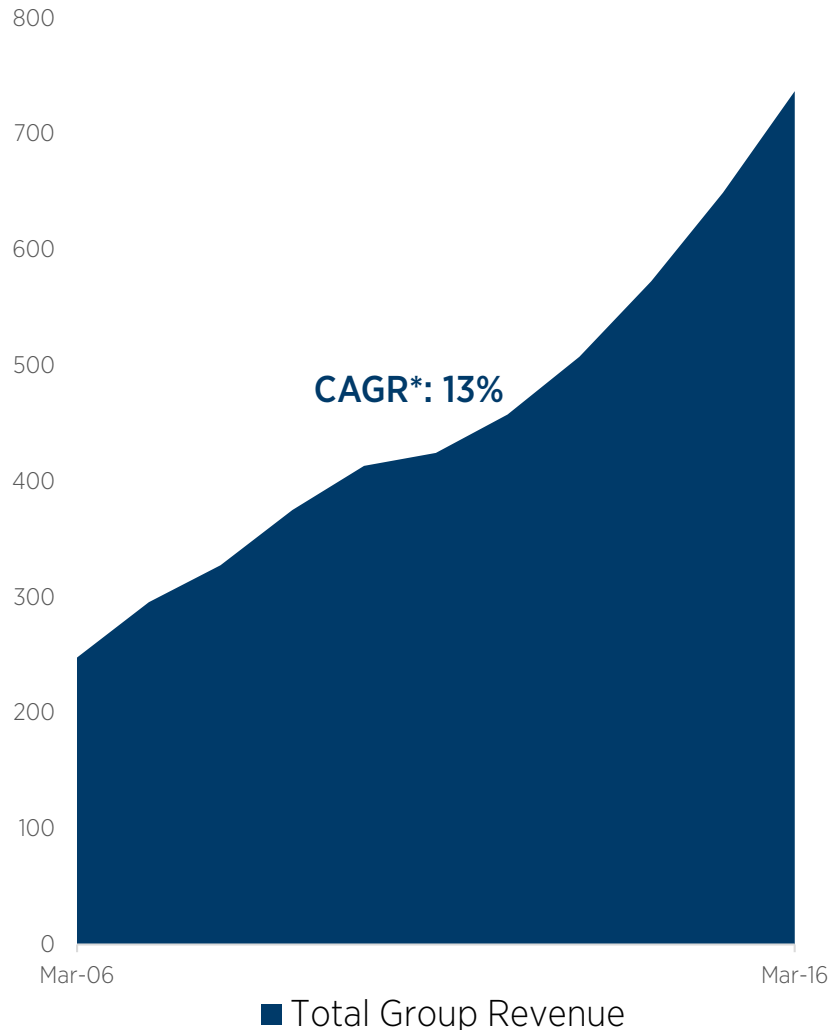


Our Global Coverage



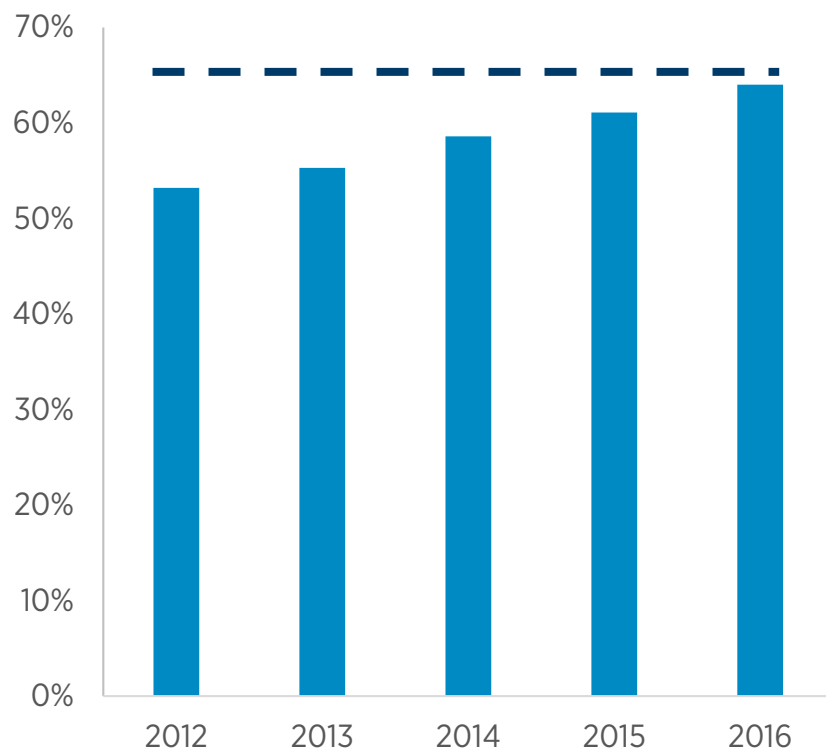
Doubling our Constant Currency Revenue every 5-6 Years

Constant Currency Operating Revenue NZ\$000

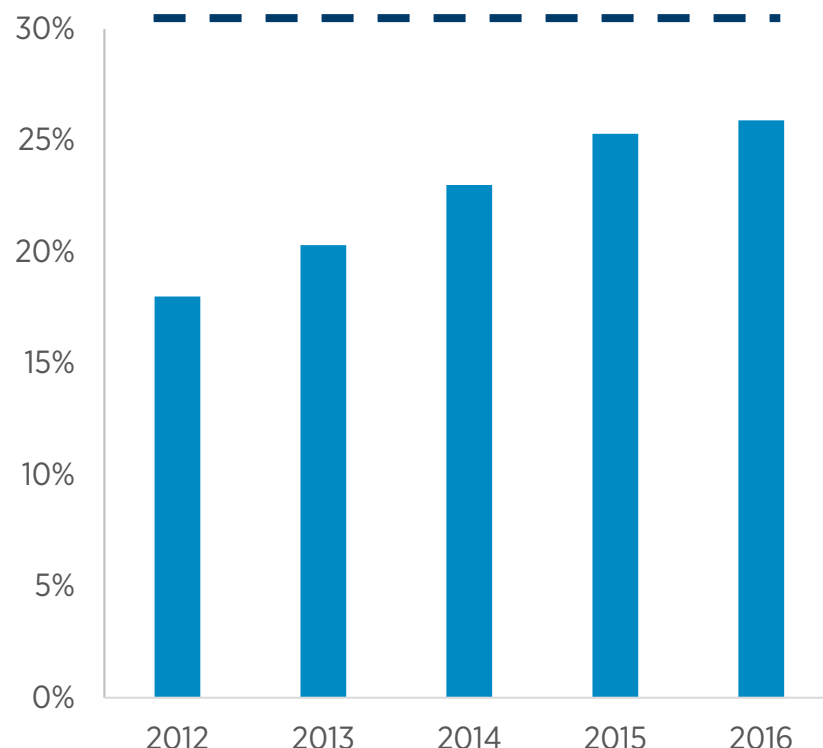


Long Term Margin Targets

Gross Margin



Operating Margin



— — — Long term gross margin target

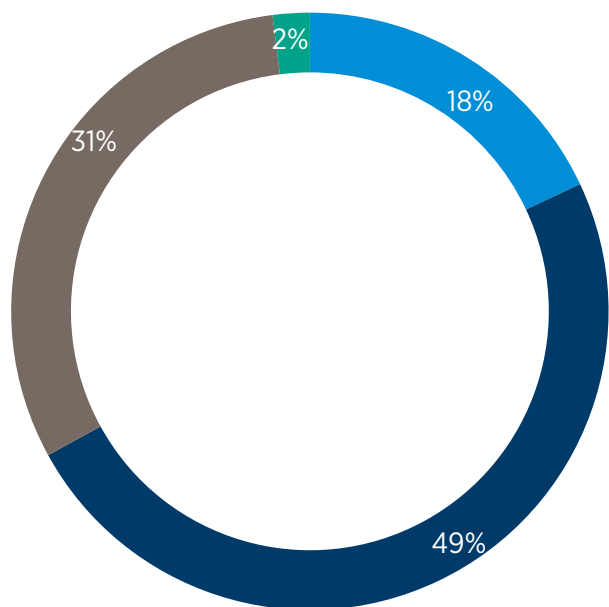
— — — Long term operating margin target

Note: the long term margin targets are based on an assumption of a continuation of the current business environment.

Ownership Structure and Listings

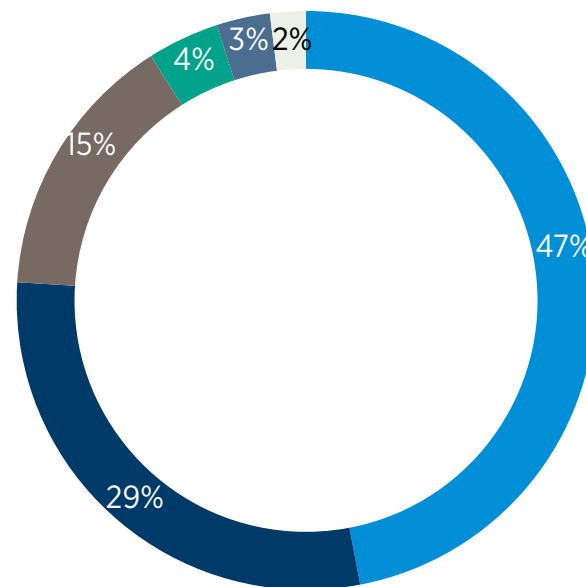
- Listed on NZX and ASX (NZX.FPH, ASX.FPH)

**Shareholding Structure as at
31 March 2016**



■ NZ Institutions ■ Other Institutions
■ Brokers & Retail ■ Other

**Geographical Ownership as at
31 March 2016**



■ New Zealand ■ Australia ■ North America
■ UK ■ Europe (ex UK) ■ Asia

Consistent Growth Strategy

- Improving care and outcomes
- Reducing cost to the healthcare system



Increase

- Effectiveness of care
- Efficiency of care

Reduce

- Intensity of care
- Healthcare system cost



- Four key pillars:



Continuous product improvement



Broadening the range of devices for each patient



Serve more patient groups



Increase international presence

The background of the image features several blue corrugated pipes or hoses. They are arranged in a way that creates a strong sense of depth and perspective, with lines converging towards the upper right corner. The lighting is soft, highlighting the ridges and valleys of the corrugations. The overall color palette is a range of blues, from a deep cerulean to a very light, almost white, sky blue.

Product.

Hospital Hardware

- 850 respiratory humidifier system
 - Invasive ventilation, nasal high flow therapy and non-invasive ventilation
- 810 respiratory humidifier system
 - Entry level system
 - Ventilation and nasal high flow therapy
 - Optional heated breathing circuit
- AIRVO 2 flow generator/humidifier
 - Optiflow™ nasal high flow therapy
- HumiGard surgical humidifier
 - Laparoscopic insufflation
 - Open surgery



F&P 850™ System



F&P 810™ System



F&P AIRVO™ 2



F&P HumiGard™

Hospital Single Use Consumables

- Single-use chambers
 - Patented auto filling MR290
- Single-use breathing circuits
 - Patented spiral heater wire
 - Proprietary Evaqua 2 expiratory tube
 - Minimal condensation
 - Delivery of optimal humidity
- Breathing circuit components
 - Filters, catheter mount, weaning kit
- Interfaces
 - NIV masks, tracheostomy, Optiflow™+ nasal cannula
- Approx 30 system set-ups used per controller per year
- Consumable growth driving revenue growth



Optiflow™ Nasal High Flow Therapy – Delivery Options



F&P 850™ System



F&P AIRVO™ 2

Homecare Hardware and Consumables



F&P ICON™+



(i) Info Technologies™



F&P AIRVO™ 2



F&P 810™ System



F&P Simplus™



F&P Eson™ 2



F&P Pilairo™ Q



F&P Optiflow™+

Figures.

A photograph of a warehouse interior. A worker in a bright yellow safety jacket is operating a yellow JCB forklift in a narrow aisle between tall metal shelving units. The shelves are filled with numerous cardboard boxes, some wrapped in clear plastic. The word "Figures." is superimposed in large, white, sans-serif font across the center of the image. On the right, a blue pallet is visible on a shelf, and a safety sign with a "no pedestrian" symbol and the text "AUSLE EINTREIT MOTORE" is partially visible.

Full Year Operating Results

FY2016 (12 months to 31 March 2016)

	% of Revenue	NZ\$M	ΔPCP^	ΔCC*
Operating revenue	100%	815.5	+21%	+14%
Cost of sales	36.0%	293.8	+12%	+6%
Gross profit	64.0%	521.6	+27%	+19%
Other income (R&D grant)		5.0	0%	0%
SG&A	29.7%	242.3	+34%	+23%
R&D	9.0%	73.3	+13%	+13%
Total operating expenses	38.7%	315.6	+28%	+20%
Operating profit	25.9%	211.1	+24%	+16%
Profit after tax	17.6%	143.4	+27%	+19%

^ PCP = prior comparable period * CC = constant currency

Cash Flow & Balance Sheet

FY2016 (for the 12 months ended 31 March 2016)	NZ\$M
Operating cash flow (-2%)	144.6
Capital expenditure	65.7
Depreciation and amortisation	35.2
FY2016 (as at 31 March 2016)	NZ\$M
Debt (net)	44.4
Total equity	541.7
Total assets	766.8
	%
Pre-tax return on average equity	39.7%
Pre-tax return on average total assets	28.0%
Gearing (debt/debt + equity)	7.7%

Foreign Exchange Effects

- 52% of operating revenue in USD (1H FY16: 51%) and 21% in €.

	Year to 31 March				
Hedging position for our main exposures	2017	2018	2019	2020	2021
USD % cover of expected exposure	85%	42%	24%	22%	18%
USD average rate of cover	0.689	0.659	0.643	0.626	0.614
EUR % cover of expected exposure	86%	53%	8%	0%	0%
EUR average rate of cover	0.577	0.576	0.571	-	-

	Year ended 31 March	
	2015	2016
Reconciliation of Constant Currency to Actual Income Statements	NZ\$000	NZ\$000
Profit before tax (constant currency)	130,951	156,502
Spot exchange rate effect	(2,335)	44,518
Foreign exchange hedging result	27,893	(4,005)
Balance sheet revaluation	2,257	3,815
Profit before tax (as reported)	158,766	200,830

Important Notice and References

Disclaimer

The information in this presentation is for general purposes only and should be read in conjunction with Fisher & Paykel Healthcare Corporation Limited's (FPH) 2016 Annual Report and accompanying market releases. Nothing in this presentation should be construed as an invitation for subscription, purchase or recommendation of securities in FPH.

This presentation includes forward-looking statements about the financial condition, operations and performance of FPH and its subsidiaries. These statements are based on current expectations and assumptions regarding FPH's business and performance, the economy and other circumstances. As with any projection or forecast, the forward-looking statements in this presentation are inherently uncertain and susceptible to changes in circumstances. FPH's actual results may differ materially from those expressed or implied by those forward-looking statements.

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