Investment Highlights

• A leader in respiratory and OSA treatment devices

• Consistent growth strategy

• Estimated US$5.0+ billion and growing market opportunity

• High level of innovation

• Global presence

• Strong financial performance
  NZSX:FPH, ASX:FPH
Markets & Products

- Respiratory & Acute Care (RAC)
  - Heated humidification
  - Respiratory care
  - Neonatal care
  - Surgery

- Obstructive Sleep Apnea (OSA)
  - Masks
  - Flow generators
  - Data management tools
  - Humidifiers

- Consumable and accessory products represent approximately 81% of core product revenue (FY14: 79%)

Revenue by Product Group
12 months to 31 March 2015
Hospital Cost Breakdown

Medical devices

6%

94%

Other – includes labour, utilities, drugs, supplies, food, depreciation

Source: Estimates of Medical Device Spending in the United States, Donahoe, G and King, G, June 2014
Lower Care Intensity Equals Lower Cost

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

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
Therapies - Respiratory Care, Acute Care & Surgical

- Invasive ventilation
- Noninvasive ventilation
- Oxygen therapy
- Humidity therapy

F&P Evaqua 2™
F&P FreeMotion™
F&P Optiflow™
F&P AIRVO™
F&P Evaqua 2™
F&P Bubble CPAP
F&P Optiflow™ junior
F&P HumiGard™

Neonatal invasive ventilation
Neonatal noninvasive ventilation
Neonatal oxygen therapy
Surgical humidification
Respiratory & Acute Care - Hardware

- 850 respiratory humidifier system
  - Invasive ventilation, oxygen therapy and non-invasive ventilation

- 810 respiratory humidifier system
  - Entry level system
  - Ventilation and oxygen therapy
  - Optional heated breathing circuit

- AIRVO 2 flow generator/humidifier
  - Optiflow oxygen therapy
  - Humidity therapy

- Surgical opportunity (HumiGard)
  - Laparoscopic insufflation
  - Open surgery
Respiratory & Acute Care - 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, oxygen 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$2.5+ billion worldwide market, growing approximately 6 - 8%

• 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
Revolutionary Masks

• Comfortable
• Easy to fit
• Efficient
Stylish, Smart + Simplified CPAP Range

- Efficiently integrates with InfoUSB and InfoSmart Web
- Responsive pressure relief - SensAwake
- ThermoSmart humidifier breathing tube technology
- Auto-adjusting CPAP
Efficient Compliance Reporting

F&P InfoUSB

F&P InfoUSB Kiosk

F&P InfoGSM

F&P DataZone

F&P InfoSmart

Customer Systems
Research & Development

• 9.7% of operating revenue, NZ$65M$^1$

• Product pipeline includes:
  – Humidifier controllers
  – Masks
  – Respiratory consumables
  – Flow generators
  – Compliance monitoring solutions

• 118 US patents, 287 US pending, 496 ROW, 410 ROW pending$^2$

$^1$ for the 12 months ended 31 March 2015
$^2$ as at 31 March 2015
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/40ha land

Tijuana, Mexico
  – 18,000 m² / 200,000 ft²
  – Manufacturing floor area increased by 66%
  – Consumables capacity ramping up
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 35 countries
  - Ongoing international expansion
  - Moving to a more direct US hospital distribution model

- Distributors
  - 200+ distributors worldwide

- Original Equipment Manufacturers
  - Supply most leading ventilator manufacturers
  - More than 120 countries in total
### Full Year Result Highlights

12 months to 31 March 2015

<table>
<thead>
<tr>
<th></th>
<th>NZ$M</th>
<th>△ PCP</th>
<th>△ CC¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Record net profit after tax</td>
<td>113.2</td>
<td>+17%</td>
<td>+61%</td>
</tr>
<tr>
<td>Record operating revenue</td>
<td>672.3</td>
<td>+8%</td>
<td>+13%</td>
</tr>
<tr>
<td>Record RAC operating revenue</td>
<td>368.2</td>
<td>+9%</td>
<td>+14%</td>
</tr>
<tr>
<td>Record OSA operating revenue</td>
<td>291.1</td>
<td>+8%</td>
<td>+14%</td>
</tr>
<tr>
<td>RAC new applications consumables revenue</td>
<td></td>
<td>+21%</td>
<td>+26%</td>
</tr>
<tr>
<td>OSA masks revenue</td>
<td></td>
<td>+15%</td>
<td>+22%</td>
</tr>
<tr>
<td>Gross margin (bps increase)</td>
<td></td>
<td>+252</td>
<td>+443</td>
</tr>
</tbody>
</table>

¹. CC = constant currency
# Second Half Result Highlights

**6 months to 31 March 2015**

<table>
<thead>
<tr>
<th></th>
<th>△ PCP</th>
<th>△ CC(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net profit after tax</td>
<td>+22%</td>
<td>+53%</td>
</tr>
<tr>
<td>Operating revenue</td>
<td>+11%</td>
<td>+14%</td>
</tr>
<tr>
<td>Gross margin (bps increase)</td>
<td>+286</td>
<td>+429</td>
</tr>
<tr>
<td>RAC new applications consumables revenue</td>
<td>+24%</td>
<td>+27%</td>
</tr>
<tr>
<td>OSA mask revenue</td>
<td>+20%</td>
<td>+23%</td>
</tr>
</tbody>
</table>

1. CC = constant currency
Innovative Products Driving Growth

• Respiratory & Acute Care
  – **Optiflow™** oxygen therapy system
  – **Evaqua™2** breathing circuits
  – **AIRVO™2 & myAIRVO™2** humidifiers with integrated flow generators

• Obstructive Sleep Apnea
  – **Simplus™** full face mask
  – **Eson™** nasal mask
## Full Year Operating Results

**FY15** (12 months to 31 March 2015)

<table>
<thead>
<tr>
<th></th>
<th>%Revenue</th>
<th>NZ$M</th>
<th>ΔPCP</th>
<th>ΔCC¹</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating revenue</strong></td>
<td>100%</td>
<td>672.4</td>
<td>+8%</td>
<td>+13%</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>38.9%</td>
<td>261.4</td>
<td>+1%</td>
<td>+2%</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>61.1%</td>
<td>411.0</td>
<td>+12%</td>
<td>+22%</td>
</tr>
<tr>
<td><strong>Other income (R&amp;D grant)</strong></td>
<td>5.0</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SG&amp;A</strong></td>
<td>26.9%</td>
<td>180.9</td>
<td>+6%</td>
<td>+7%</td>
</tr>
<tr>
<td><strong>R&amp;D</strong></td>
<td>9.7%</td>
<td>65.0</td>
<td>+20%</td>
<td>+20%</td>
</tr>
<tr>
<td><strong>Total operating expenses</strong></td>
<td>36.6%</td>
<td>245.9</td>
<td>+9%</td>
<td>+10%</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>25.3%</td>
<td>170.1</td>
<td>+19%</td>
<td>+57%</td>
</tr>
<tr>
<td><strong>Profit after tax</strong></td>
<td>16.8%</td>
<td>113.2</td>
<td>+17%</td>
<td>+61%</td>
</tr>
</tbody>
</table>

1. CC = constant currency
Dividend and Gearing

• Increased final dividend by 14%:
  – 8.0 cps + 3.1111 cps imputation credit for New Zealand residents (gross dividend of 11.1111 NZ cps)
  – Fully imputed
  – 1.4118 cps non-resident supplementary dividend
  – Dividend reinvestment plan offered for New Zealand and Australian residents, discount has been removed

• Gross dividend yield, 19.1667 cps, ~3%

• Updated dividend and gearing policies. Revised targets:
  – a dividend pay-out ratio of approximately 70% of net profit after tax
  – debt to debt plus equity ratio* in the range of +5% to -5%;

* Calculated using net interest bearing liabilities to total equity excluding unrealised financial instrument gains or losses
Respiratory & Acute Care (RAC)

- Operating revenue growth
  - NZ$ $ +13%$
  - Constant currency $ +16%$

- New applications consumables revenue growth
  (Noninvasive ventilation (NIV), Optiflow, AIRVO, Surgical)
  - NZ$ $ +24%$
  - Constant currency $ +27%$

- New applications consumables now make up 47% of RAC consumables revenue, up from 42% in FY14

- Further positive clinical trial results published in favour of Optiflow™:
  - New England Journal of Medicine (Frat et al)
  - Journal of the American Medical Association (Stephan et al)
Obstructive Sleep Apnea (OSA)

- Operating revenue growth
  - NZ$ +10%
  - Constant currency +13%
- Mask revenue growth
  - Constant currency +23%
- Masks continue to take market share

H2 FY2015
+10%
+13%
+23%
### Cash Flow & Balance Sheet

**FY15 (for the 12 months ended 31 March 2015)**

- Operating cash flow (+48%)  
  - **NZ$M** 146.8
- Capital expenditure  
  - **NZ$M** 53.6
- Depreciation and amortisation  
  - **NZ$M** 31.6

**FY15 (as at 31 March 2015)**

- Net debt  
  - **NZ$M** 51.9
- Total shareholders equity  
  - **NZ$M** 471.2
- Total assets  
  - **NZ$M** 669.8

- 36% pre-tax return on average equity, 24% on average total assets
Foreign Exchange Effects

- NZ~$530M of hedging in place at 31 March 2015 for FY15.
- 48% of operating revenue in USD and 24% in €.
- Hedging position for our main exposures:

<table>
<thead>
<tr>
<th></th>
<th>Year to 31 March</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD % cover of expected exposure</td>
<td>97%</td>
</tr>
<tr>
<td>USD average rate of cover</td>
<td>0.726</td>
</tr>
<tr>
<td>EUR % cover of expected exposure</td>
<td>93%</td>
</tr>
<tr>
<td>EUR average rate of cover</td>
<td>0.578</td>
</tr>
</tbody>
</table>
Outlook FY16

- Expect at current exchange rates*:
  - Operating revenue – approximately NZ$800 million
  - Net profit after tax – approximately NZ$135-140 million

* Exchange rates at 27 August 2015: NZD:USD = 0.65 and NZD:EUR = 0.60
Consistent 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 – invasive ventilation, NIV, oxygen therapy, COPD, surgery, OSA

  Increase international presence