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NZX Australasian Media Day
12 November 2003

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Investment Highlights

- Leading player in heated humidification devices and consumables for a variety of respiratory markets
- Estimated US\$1.2 billion+ market opportunity
- High level of innovation
- Global presence
- Competitive NZ cost base
- Strong financial performance
- Experienced management team

NZSX:FPH, ASX:FPH

Operating Results US\$

H1FY04 (6 mths)

	<u>% Revenue</u>	<u>US\$M</u>	<u>%Δpcp</u>
Operating revenue	100%	60.3	+27%
Gross profit	70.5%	42.6	+32%
SG&A	28.8%	17.4	+36%
R&D	6.4%	3.9	+47%
Total Operating Expenses	35.3%	21.3	+38%
Operating Profit	35.3%	21.3	+27%
Profit after Tax	24.1%	14.5	-8%

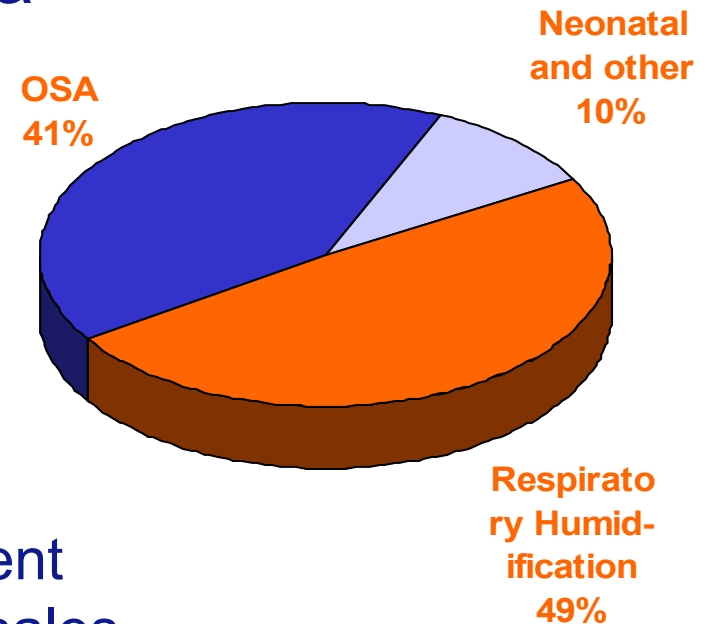
Operating Results NZ\$

H1FY04 (6 mths)

	<u>% Revenue</u>	<u>NZ\$M</u>	<u>%Δpcp</u>
Operating revenue	100%	104.9	+4%
Gross profit	70.5%	74.0	+8%
SG&A	28.8%	30.2	+11%
R&D	6.4%	6.8	+20%
Total Operating Expenses	35.3%	37.0	+12%
Operating Profit	35.3%	37.0	+4%
Profit after Tax	24.1%	25.2	-25%

Markets and Products

- Respiratory humidification
- Obstructive sleep apnea
- Neonatal and other

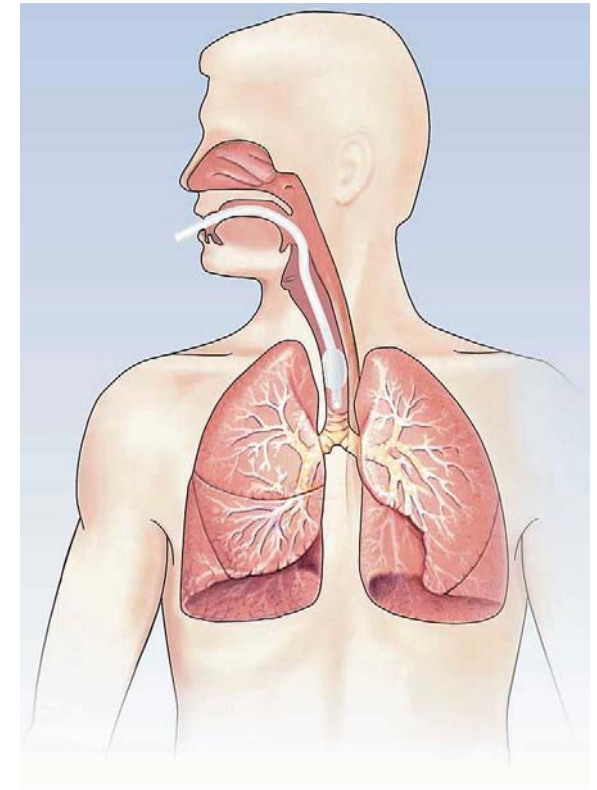


» Consumable products represent approx. 50% of core product sales

* 12 months to 31 March 2003

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\$300+ million market worldwide
 - heated humidifier controllers
 - humidifier chambers
 - +
 - breathing circuits
 - +
 - unheated humidifiers
 - oxygen therapy supplies
- » 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



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Single-use Components

Single-use chambers

- patented auto filling MR290
- manual filling models

Single-use breathing circuits

- adult and neonatal
- patented spiral heater wire
- less condensation
- delivery of optimal humidity
- New technology in pipeline

Breathing circuit components

- filters
- catheter mount
- weaning kit



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



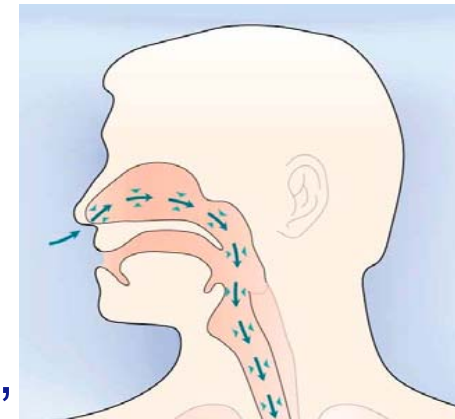
Respiratory Humidification Update

- Revenue growth (US\$) H1 FY04 +37% on pcp
- Sales growth driven by chamber and circuit sales, acceptance of MR850 system
- Continued market share growth in breathing circuits, rapid uptake of neonatal circuits
- SARS ~ US\$2M
- Non invasive ventilation circuit, weaning kit, catheter mount introduced
- New breathing circuit technology in R&D pipeline

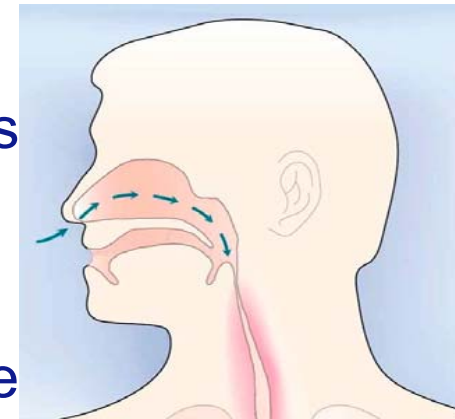


Obstructive Sleep Apnea

- Temporary closure of airway during sleep
- Can greatly impair quality of sleep, leading to fatigue; also associated with stroke and heart attack
- Estimated US\$700+ million worldwide market, growing 15%-20%
- 12 million affected by OSA in US alone
- Most common treatment is CPAP (Continuous Positive Airway Pressure)
 - key issue with CPAP is compliance
- Humidification provides significant acceptance and compliance improvements



Normal breathing



Patient with OSA

Fisher & Paykel's CPAP 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
- HC220/HC221LE Integrated Flow-Generator Humidifier
 - compact, integrated unit
 - patented Ambient Tracking™ Plus system
 - compliance optimizer
 - proprietary motor technology
- HC210/211 Convertible Flow Generator
 - Easy conversion to heated humidity
- Two new flow generators in pipeline



Mask Systems

- FlexiFit™ Nasal Masks
 - patented sliding attachment
 - flexible FlexiFit™ foam cushion
 - bias flow diffuser
 - » less leaks, greater comfort
- Oracle™ Oral Mask
 - proprietary oral interface
 - no headgear required
- Three new masks in pipeline



CPAP/Obstructive Sleep Apnea Update

- Revenue growth (US\$) H1FY04 +15.4% on pcp
- Flow generator revenue growth +28% Q2 on pcp
- HC221LE flow generator introduced
- HC211 convertible flow generator introduced, expands market opportunity
- HC405 FlexiFit™ nasal mask introduced
- New flow generators, masks in R&D pipeline



New

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



New



Neonatal and Warming Update

- Revenue growth (US\$) H1FY04 +48%
- Strong infant warmer revenue growth
- Growing acceptance of Neopuff infant resuscitator and neonatal CPAP system

New

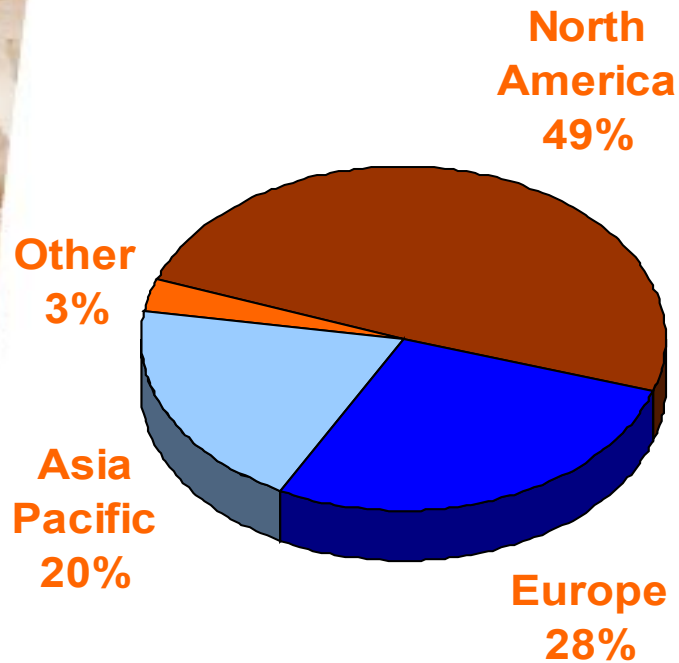




Research & Development

- 130 engineers, scientists, physiologists
- R&D increase to 6.4% of revenue H104
- Significant new product pipeline for FY2004
 - Flow generators
 - Masks
 - Breathing circuit technology
 - Patient warmer
- Competitive NZ cost base
- 32 US patents, 53 US pending *, 48 ROW, 186 ROW pending
- NZ\$3.6M funding over 4 yrs for COPD research

Global Presence



Revenue by Region
12 months 31 March 2003

- Direct
 - hospitals, alternate site, home care dealers
 - sales offices in USA/Canada, UK/Ireland, France/Benelux/Italy/Spain, Germany/Austria, Australia and NZ
 - Ongoing international expansion
- Distributors
 - 100 distributors worldwide - 90 countries
- Original Equipment Manufacturers
 - supply most leading ventilator and CPAP manufacturers



Growth Drivers

- Maintain high level of innovation
 - continue to improve existing product lines
 - develop complementary product offerings
- Target new medical applications
 - e.g. COPD
- Increase international presence,
 - e.g. Italy, Spain, China



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