

A vertical strip on the left side of the slide shows various pieces of medical equipment, including what appears to be a dialyzer, a pump, and other components of a medical system.

**Fisher & Paykel**  
**HEALTHCARE**

**INFINZ Presentation**  
**August 2002**

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# Forward Looking Statements

This presentation may include forward-looking statements and actual results could vary. Such forward-looking statements, including statements regarding our future revenue and earnings projections and the development of new markets for our products, are subject to risks and uncertainties, which could cause actual results to differ materially from those projected or implied in the forward looking statements. For a discussion of factors that could cause actual results to vary from any forward-looking statements, please see our prospectus, especially Risk Factors.

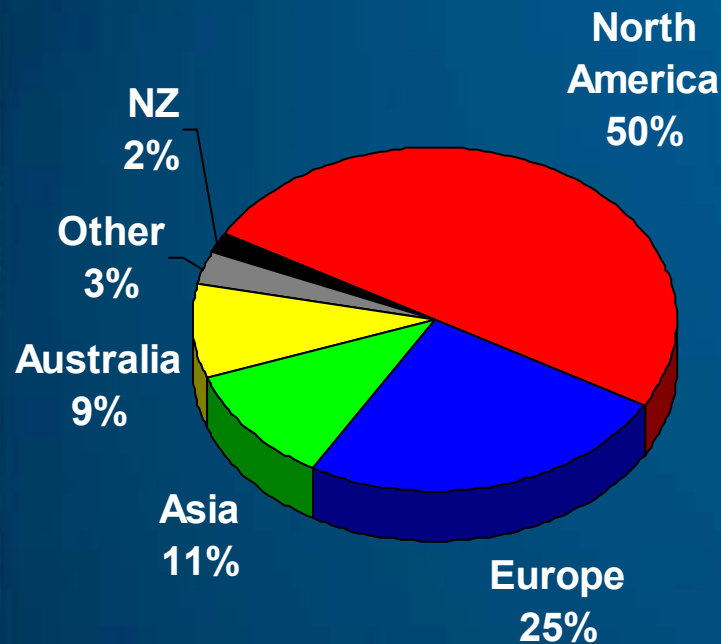
# Markets and Products

- Respiratory humidification (50% of sales\*)
    - respiratory humidifiers, chambers, breathing circuits and accessories
  - Obstructive sleep apnea (40% of sales\*)
    - integrated flow generator-humidifiers, humidifiers, masks and chambers
  - Neonatal and other (10% of sales\*)
    - neonatal warmers, neonatal CPAP, distributed products
- Consumable products represent 48% of sales

\* 3 months to 30 June 2002

# Global Presence

## % of Revenue\*



\* 3 months to 30 June 2002

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

# Why separation?

- Value gap!
- Market cap of FPI on 2 July 2000 when Deutsche Bank review announced \$809m
- Market cap of FPI on 20 December 2000 when separation announced \$957m
- Combined market cap of FPH and FPA on 12 August 2002 \$1,376m
- Distribution of 0.6976 cents per share upon separation = \$82m
- Dividend payments during this period of \$130m

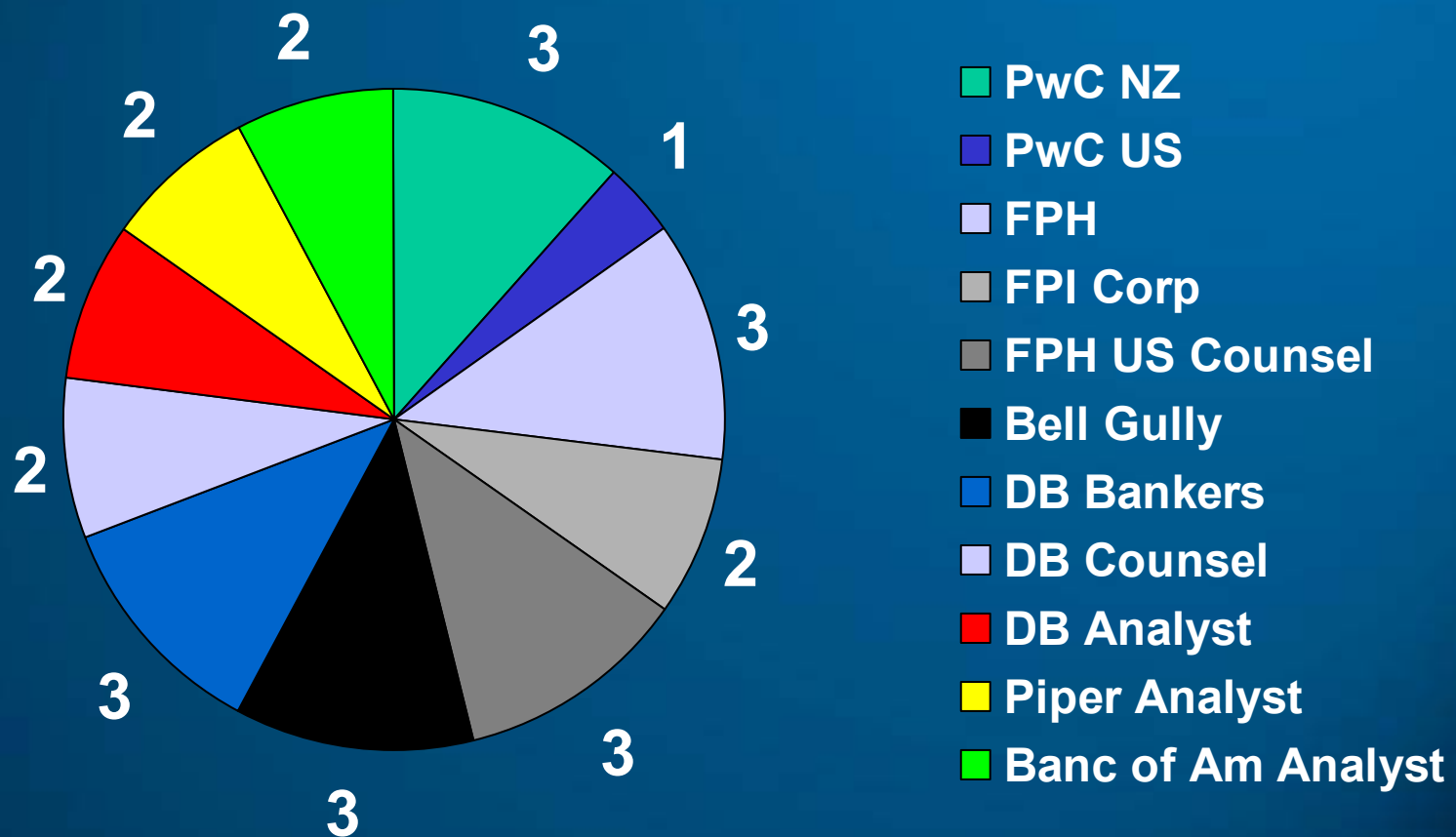
Market Capitalisation  
(NZ\$m)



# Challenges of Listing/Separation

- Pre-Listing
  - internal separation of the businesses, company structure, contracts, patents, staff
  - preparation of required filings
    - US prospectus (US GAAP, USD a/c's)
    - NZ information memorandum
    - people involved in drafting (approx 26)

# Challenges of Listing/Separation



Participants involved in drafting= 26

# Challenges of Listing/Separation

- Pre-Listing
  - underwriter selection
  - depositary bank selection
  - roadshow, NZ, Aust., USA
  - court approval
  - board selection
  - management distraction
  - independent valuation
  - and many more



# Challenges of Listing/Separation

- Post-Listing
  - listing requirements, NZSE, ASX, NASDAQ
  - financial reporting
    - quarterly
    - NZD, USD
    - US GAAP
    - 20-F US annual report
  - preparation of historical financial information, quarterly, USD

# Challenges of Listing/Separation

- Post-Listing
  - new corporate functions
    - investor relations
    - treasury
    - legal/compliance
  - volatility of world share markets

# FY2003 Q1 Update

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# Respiratory Humidification

*Environment* - Softer hospital capex

- Performance*
- Good growth in North America +9%
  - Reduced humidifier sales to OEMs and to Europe
  - Strong growth in single-use adult breathing circuits +20%
  - Revenue (USD) +4% in Q1
  - 50% of revenue Q1

# CPAP / Obstructive Sleep Apnea

- Environment*
- Increasing acceptance of humidification benefits
  - Price reductions less significant
  - Improved reimbursement from July

- Performance*
- 45% volume growth in integrated flow-generator humidifiers Q1
  - Masks increasing in importance
  - Flow-generator revenue greater than humidifier revenue in Q1
  - Revenue (USD) +18% in Q1
  - 40% of revenue Q1

# Neonatal and warming

- Environment*
- Increasing USA sales activity
  - Tender driven, lumpy

- Performance*
- Good growth in North America
  - Secured a significant neonatal warmer tender in Latin America
  - Revenue (USD) +23% in Q1
  - 5% of revenue Q1

# New Products

Last 6-12 months

Aclaim™ Mask

Oracle Mask

Infant CPAP System Australasia

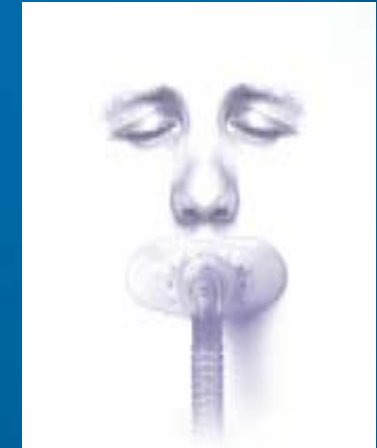
HC150 Humidifier

HC221 Integrated Flow Generator

Neonatal breathing circuits

HC220 Integrated Flow Generator

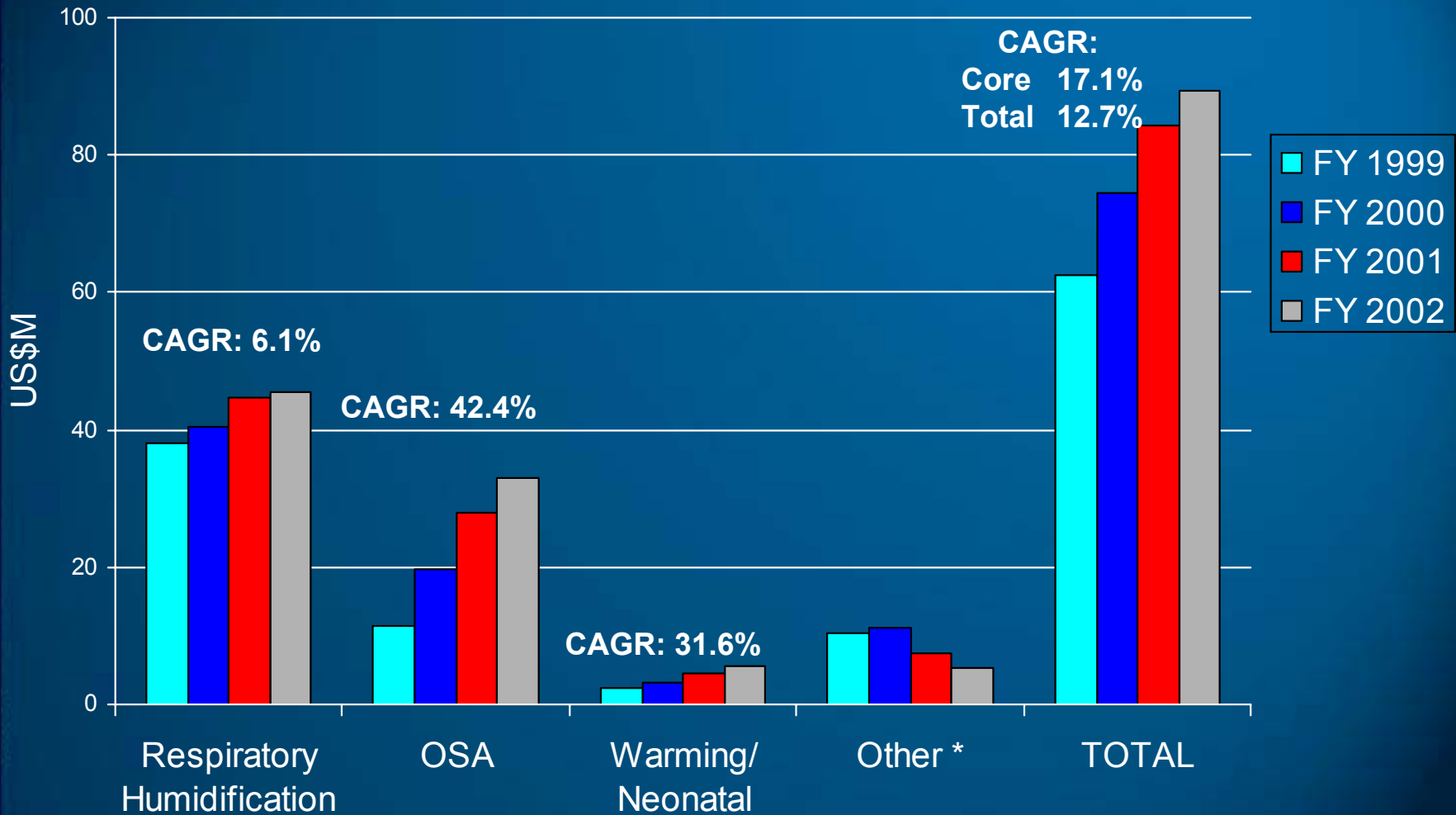
Aclaim2 mask



→ Continuously introducing new features and advancements to our existing product lines

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# Revenue Growth USD



\* Other includes distributed and discontinued products  
 FY ends 31/3



# Foreign Currency

- Policy: options and contracts
  - 100% year 1, 75% years 2 and 3, options only up to 25% years 4 and 5.
- Current portfolio (USD):
  - Year 1                      100%)
  - Year 2 and 3              75% ) average .4590
  - Year 4 and 5              25% )
- US\$ represents 80% of NZ export value

# Balance Sheet

- Cash lower due to final dividend (25cps)
- DSO steady at 55 days
- Finished inventory 5.0 turns p.a.
- NZ\$20M net balance of currency provisions
- Strong operating cashflow of NZ\$18M
- Capex of NZ\$4.8M of which NZ\$3.4M on facility extension

# Revenue by core products

<b>FY03 Q1 US\$</b>	<u>Jun-02</u>	<u>Jun-01</u>	<u>%Δ</u>
Respiratory humidification	11.7	11.3	+4
CPAP sleep apnea	9.4	8.0	+18
Patient warming/ neonatal	<u>1.3</u>	<u>1.1</u>	<u>+23</u>
	22.4	20.3	+10
<b>FY03 Q1 NZ\$</b>	<u>Jun-02</u>	<u>Jun-01</u>	<u>%Δ</u>
Respiratory humidification	25.2	27.5	-8
CPAP sleep apnea	20.4	19.5	+5
Patient warming/ neonatal	<u>2.8</u>	<u>2.6</u>	<u>+8</u>
	48.4	49.6	-2
Gross margin	69%	73%	
Operating margin	37%	42%	



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