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UBS Australasian
Healthcare Conference
October 2004

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Investment Highlights

- Leading player in heated humidification devices and consumables for a variety of respiratory and related markets
- Consistent growth strategy
- Estimated US\$1.5 billion+ market opportunity
- High level of innovation
- Global presence
- Competitive NZ cost base
- Strong financial performance
- Experienced management team

NZX:FPH, ASX:FPH



Operating Results US\$

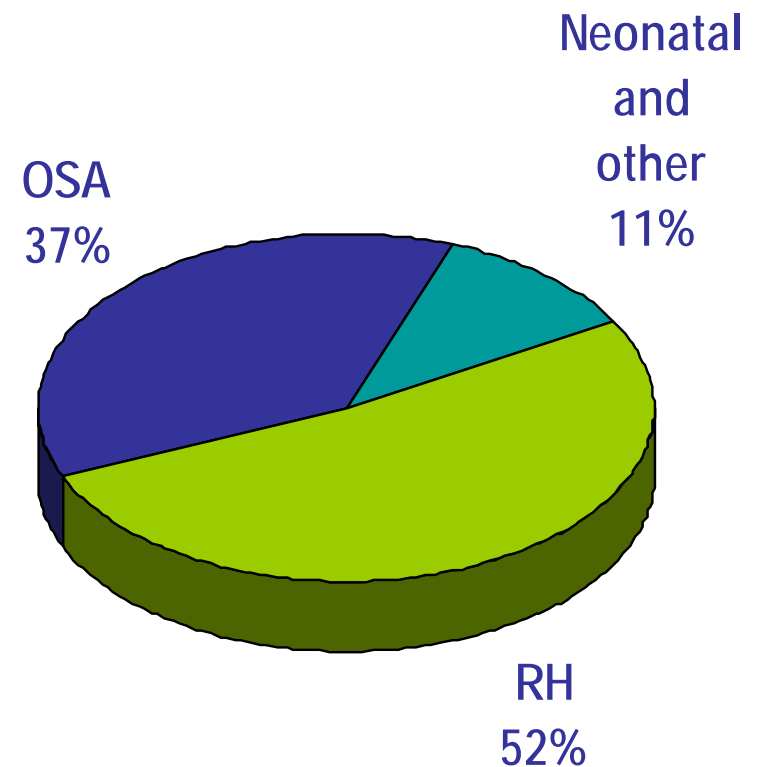
FY04 (12 mths)

	<u>% Revenue</u>	<u>US\$M</u>	<u>%Δpcp</u>
Operating revenue	100%	132.1	+28%
Gross profit	70.9%	93.6	+34%
SG&A	27.5%	36.4	+33%
R&D	6.6%	8.7	+52%
Total Operating Expenses	34.1%	45.0	+36%
Operating Profit	36.8%	48.6	+33%

Markets and Products

- Respiratory humidification
- Obstructive sleep apnea
- Neonatal and other

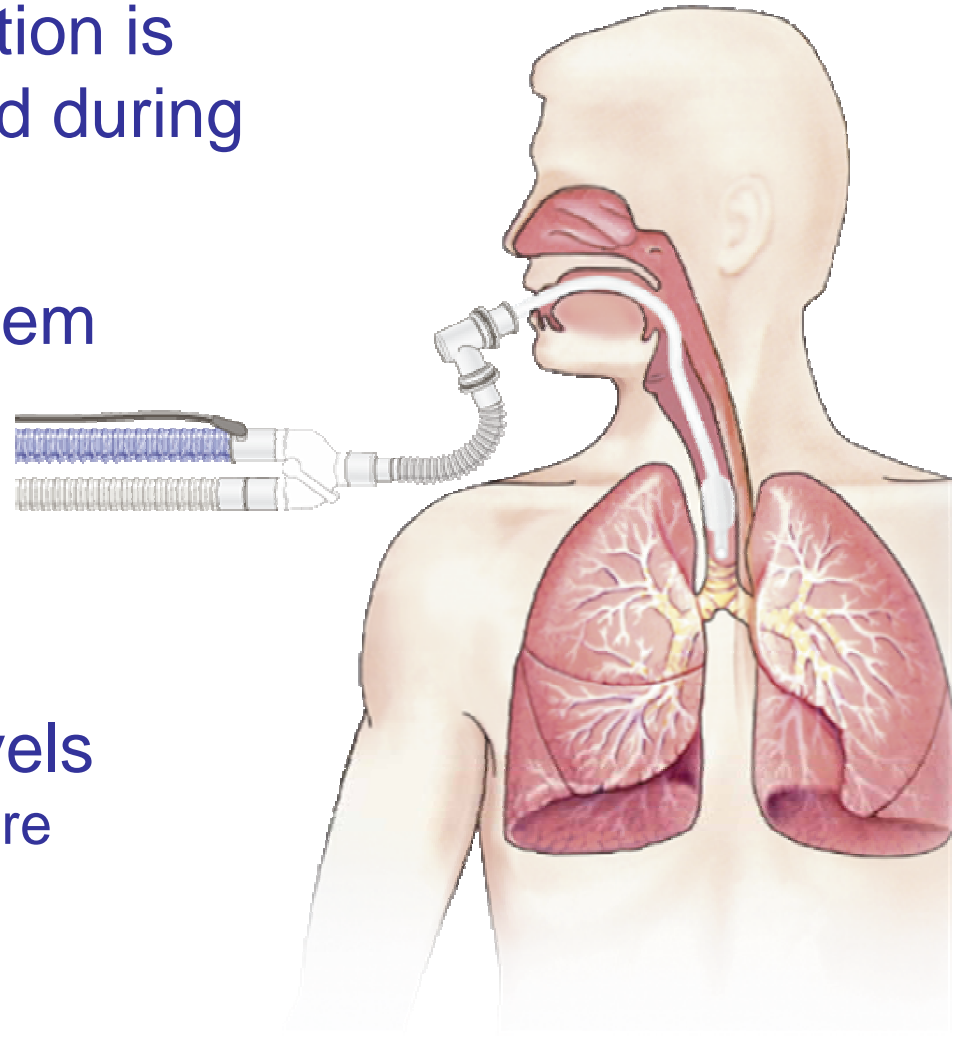
» Consumable products represent approx. 50% of core product sales



*Revenue by Product
12 months 31 March 2004*

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 used to create, control and deliver optimal levels of humidity

- Estimated US\$350+ million market worldwide
 - heated humidifier controllers
 - humidifier chambers
 - +
 - breathing circuits and components
 - +
 - unheated humidifiers
 - oxygen therapy supplies
- Opportunity to move technology into O₂ therapy, COPD, insufflation

Humidification Systems

Products include:

- MR850 Respiratory Humidifier System
 - invasive ventilation, O₂ therapy and non-invasive ventilation
 - increasing penetration driving consumable growth
- MR810 Respiratory Humidifier System
 - electronic thermostat
 - simple controls
 - optional heated breathing circuit
 - consumable growth opportunity



New

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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
 - proprietary dry expiratory tube
 - less condensation
 - delivery of optimal humidity
- Breathing circuit components
 - filters
 - catheter mount
 - weaning kit
- Approx 35 system set-ups used per controller per year
- Consumable growth driving increased revenue growth rate



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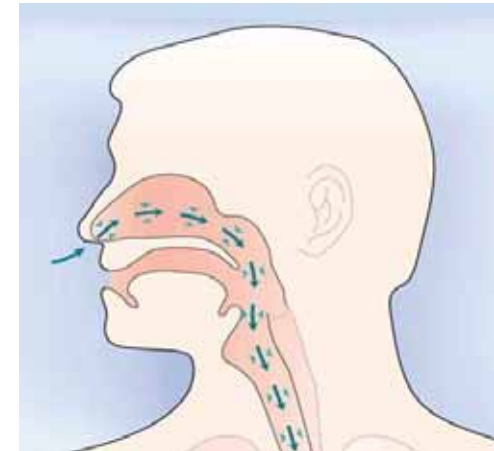
Laparoscopic Insufflation

- Dry CO₂ gas used in 'keyhole' surgery
- Heated humidification
 - reduced hypothermia
 - less post operative pain
 - less time in recovery room
 - faster return to normal activities
 - reduced risk of adhesions
- Pilot marketing in NZ/Australia
- Potential high volume of consumables



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+ 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



Normal breathing



Patient with OSA

CPAP Systems

- HC150 Humidifier
- HC210 Convertible Flow Generator series
 - Easy conversion to heated humidity
- HC220LE Integrated Flow Generator series
 - compact, integrated unit
 - compliance optimizer
 - proprietary motor technology
- HC230 Integrated Flow Generator series
 - greater pressure range, altitude adjustment, enhanced user ergonomics
 - patented Ambient Tracking™ plus auto-adjusting humidification technology
- HC600 Integrated Flow Generator series
 - *ThermoSmart*™ heated breathing tube technology
 - reduced symptoms, increased comfort



Mask Range

Four interface categories:

- FlexiFit™ Nasal Masks
 - patented sliding attachment
 - FlexiFit™ technology
 - 3 models
- FlexiFit™ Full Face Mask
 - under chin seal
- Oracle™ Oral Mask
 - proprietary oral interface
- Infinity™ Direct Nasal Mask
 - very light



Neonatal and Warming

- 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





Research & Development

- 150 engineers, scientists, physiologists, up 20 on FY03*
- R&D NZ\$ 22% increase to 6.6% of revenue FY04
- Product pipeline includes
 - Flow generators
 - Masks
 - Humidification systems for COPD/O₂ therapy
 - Respiratory consumables
- Competitive NZ cost base
- 45 US patents, 58 US pending, 52 ROW, 214 ROW pending *

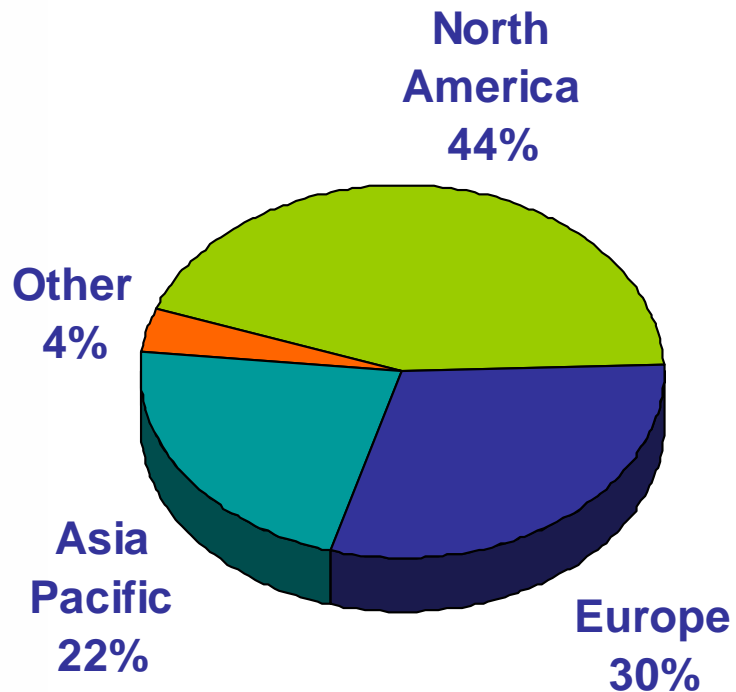
* at 31 Mar 2004

Manufacturing

- Vertically integrated
 - electronics assembly
 - injection moulding
 - motor assembly
- ISO 9001; Class 100,000 controlled environment
- Ample capacity to grow
 - 300,000 ft² / 28,000m² facility
 - 100 acres / 40 ha
 - planning next facility, site works underway



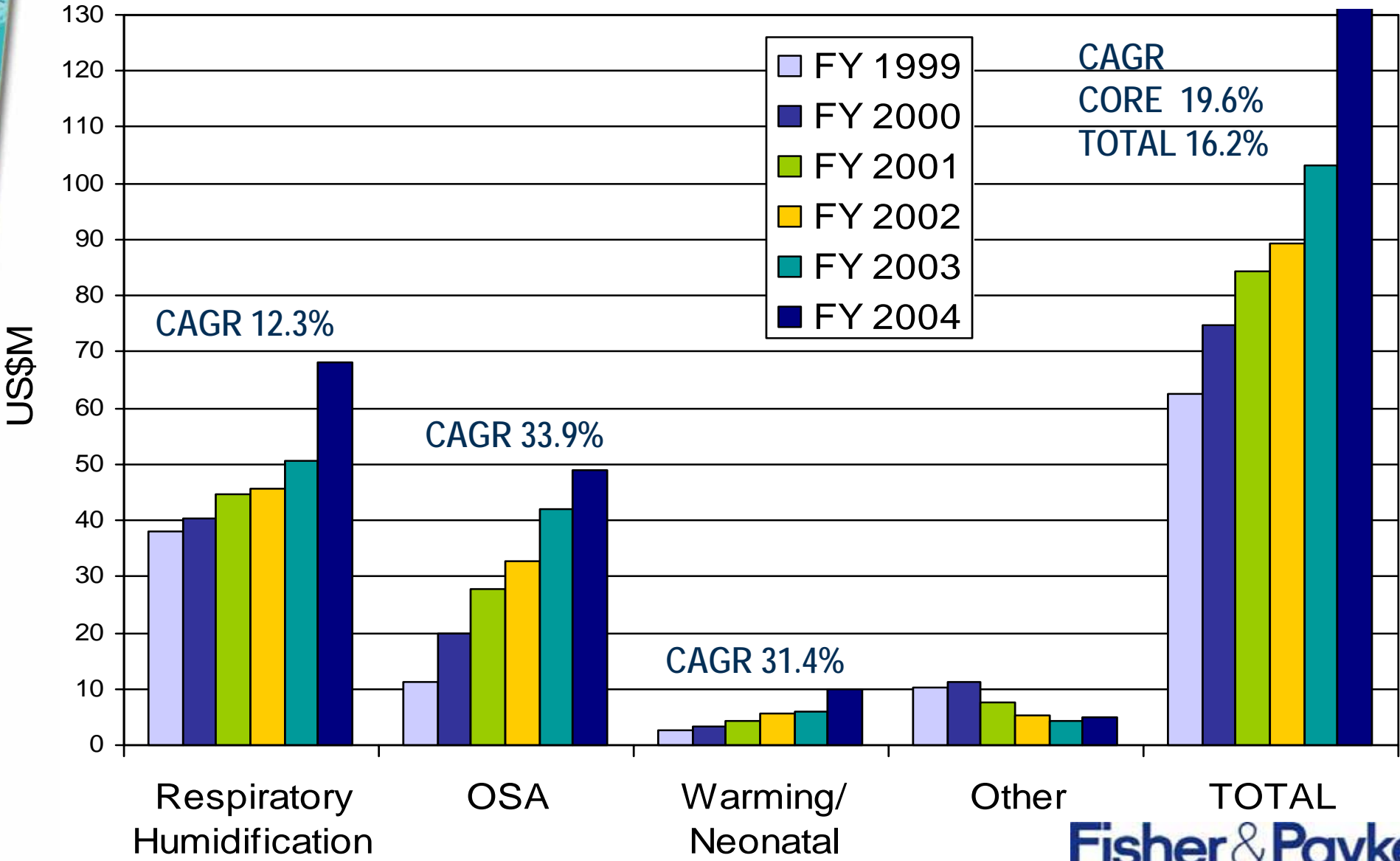
Global Presence



*Revenue by Region
12 months 31 March 2004*

- Direct
 - hospitals, home care dealers
 - Sales/support offices in USA/Canada, UK/Ireland, France/Benelux/Italy/Spain, Germany/Austria/Switzerland, India, Japan, UAE, China, Australia and NZ - 250 staff
 - Ongoing international expansion
- Distributors
 - 100 distributors worldwide - 90 countries
- Original Equipment Manufacturers
 - supply most leading ventilator manufacturers

Revenue Growth US\$





Balance Sheet

- NZ 52 cps (=10.4 cps post sub-div.) dividend total for FY04, policy 90% payout
- NZ\$27M ongoing share buyback
- 42% pre-tax return on average funds employed FY04
- Planning next building on Auckland site



Growth Drivers

- Consistent strategy
- Continue to improve existing product lines
- Develop complementary product offerings
- Target new medical applications
 - e.g. COPD, O₂ therapy, patient warming, insufflation
- Increase international presence
 - e.g. Japan, China, India, UAE, Switzerland in FY05



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