

News Release

STOCK EXCHANGE LISTINGS: NEW ZEALAND (FPH), AUSTRALIA (FPH)

FISHER & PAYKEL HEALTHCARE UPGRADES EARNINGS GUIDANCE

Auckland, New Zealand, 27 August 2015 - Fisher & Paykel Healthcare Corporation Limited (NZSX:FPH, ASX:FPH) announced today that it has upgraded its earnings guidance for the financial year ending 31 March 2016.

The medical device manufacturer, which provides respiratory care systems and products for the treatment of obstructive sleep apnea, today advised that at an exchange rate of approximately 65 cents for the NZ dollar to the US dollar for the balance of the year, it expects full year net profit after tax to be approximately NZ\$135 – NZ\$140 million. The full year net profit guidance provided by the company in May, based on an exchange range of 72 cents for the NZ dollar to the US dollar, was NZ\$125 – NZ\$130 million.

“Revenue growth so far this year has continued to be robust and we expect first-half constant currency operating revenue growth of approximately 12%, reduced slightly as expected, due to an inventory sell down by our previous hospital distributors in the US. The US distribution transition has proceeded well” commented Michael Daniell, Fisher & Paykel Healthcare’s CEO.

“As 99% of our revenue is generated outside of New Zealand, our NZ dollar results can be influenced by exchange rate movements. This year, the NZ dollar has weakened against a number of other currencies, which has been welcomed by exporters.

“Strong demand has continued into this financial year, driven by increasing adoption by clinicians and healthcare providers of the solutions we provide.

“In our respiratory and acute care product group we are seeing strong customer demand for our Optiflow and AIRVO systems used in the delivery of oxygen therapy and nasal high flow therapy. In our OSA business our masks, particularly the Simplus full face mask and Eson nasal mask, continue to gain share.”

“We announced the first of a large number of exciting new products in May, with the introduction of a range of innovative products for use with our AIRVO system. Over the next year or so, we will be introducing many more new products, right across our range, with new masks, humidifier systems, breathing circuits and flow generators coming” concluded Mr Daniell.

At current exchange rates, the company expects operating revenue for the first half to be approximately NZ\$380 million and net profit after tax to be approximately NZ\$60 million. Assuming an NZ:US exchange rate of approximately 65 cents for the balance of the year, the company now expects full year operating revenue to be approximately NZ\$800 million.

The company has provided the attached update on the company’s foreign exchange hedging position as at today’s date.

About Fisher & Paykel Healthcare

Fisher & Paykel Healthcare is a leading designer, manufacturer and marketer of products and systems for use in respiratory care, acute care, surgery and the treatment of obstructive sleep apnea. The company’s products are sold in over 120 countries worldwide. For more information about the company, visit our website www.fphcare.com.

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Contact: Marcus Driller, Investor Relations & Corporate Affairs Manager on +64 9 574 0110

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Foreign Exchange Hedging Position

The hedging position for our main exposures, the US dollar and Euro, as at today's date is:

	Year to 31 March					
	2016	2017	2018	2019	2020	2021
USD % cover of expected exposure	97%	59%	22%	19%	18%	7%
USD average rate of cover	0.726	0.695	0.665	0.645	0.628	0.619
EUR % cover of expected exposure	93%	66%	14%	0%	0%	0%
EUR average rate of cover	0.578	0.581	0.604	N/A	N/A	N/A

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