

News Release

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

STRONG HALF YEAR RESULT FROM FISHER & PAYKEL HEALTHCARE: RECORD NET PROFIT OF NZ\$81.3 MILLION

Auckland, New Zealand, 21 November 2017 - Fisher & Paykel Healthcare Corporation Limited today announced its results for the half year ended 30 September 2017. Net profit after tax was NZ\$81.3 million, up 4% from the prior comparable period. Operating revenue was NZ\$458.4 million, 8% above the first half last year.

“Our first half results are in line with our expectations and reflect consistent momentum across both our product groups,” said Managing Director and CEO, Lewis Gradon.

Operating revenue for the Hospital product group, which includes products used in respiratory, acute and surgical care, was up 11% to a record NZ\$262.5 million. Much of this growth was driven by the increasing adoption of Optiflow nasal high flow therapy. Products in the Hospital group now make up 57% of the company’s operating revenue.

“Take up of our Optiflow nasal high flow therapy globally continues to be very encouraging, with growth rates in the mid-20s percent range. This has been driven by the publication of more and more clinical studies showing the benefit to patients and hospitals that comes from using our Optiflow nasal high flow therapy,” said Mr Gradon.

The Homecare product group performed well, with operating revenue up 4% to NZ\$191.3 million. This group includes products used in the treatment of obstructive sleep apnea and respiratory support in the home. The company’s obstructive sleep apnea masks (OSA) continued to perform well in particular, delivering 8% growth in constant currency.

“We have been very pleased with the response to our Brevida nasal pillows mask for treating OSA patients,” said Mr Gradon. “This mask has been available in the US since March this year and it was recognised with an HME Business New Product Award at the recent MedTrade tradeshow in Atlanta.”

Gross margin increased by 116 basis points to 66%, or a 47 basis points increase in constant currency, compared to the first half last year, primarily due to favourable product mix and increased production in Mexico. “Construction of our new manufacturing facility in Tijuana, Mexico is about to commence and we anticipate that the new facility will be operational in mid-2018. 35% of our manufacturing output now comes from Mexico, with the remainder coming from our New Zealand manufacturing facilities.”

The company’s investment in R&D increased, with expenses growing by 13% to NZ\$47 million, representing 10% of operating revenue. “During the first half we began the introduction of a number of innovative new products, notably our SleepStyle continuous positive airway pressure device for patients with OSA, and Optiflow Junior 2 cannula for treating infants in respiratory distress.”

The company’s directors have approved an increased interim dividend of 8.75 NZ cents per ordinary share, an increase of 6% on the interim dividend last year. The interim dividend, carrying full New Zealand imputation credit, will be paid on 20 December 2017 with a record date of 6 December 2017. The dividend reinvestment plan, under which eligible shareholders can elect to reinvest all or part of their cash dividends in additional shares, will again be made available in respect of the 2018 interim dividend. The directors have determined that the DRP will be offered without a discount for the 2018 interim dividend payment.

“In the first half we absorbed additional patent litigation costs of NZ\$9.8 million compared to the first half last year. Excluding the impact of these costs, growth in first half net profit after tax would have been 13%. An update on the status of the patent litigation is included in our interim report. We remain confident in our position and overall are satisfied with results to date.

Outlook for FY2018

“It is clear that we have large and diverse opportunities available in the short, medium and long-term. We have a number of new products that will be released over the next few years and intend that these products, along with our consistent growth strategy, will support sustainable and profitable growth over the long-term.

“At current exchange rates we expect full year operating revenue for the 2018 financial year to be approaching NZ\$1 billion and net profit after tax to be approximately NZ\$185 to NZ\$190 million,” concluded Mr Gradon.

Result highlights for the first half

- 4% growth in net profit after tax to a record NZ\$81.3 million.
- 6% increase in interim dividend to 8.75 cps (2017: 8.25 cps).
- 8% growth in operating revenue to a record NZ\$458.4 million, 8% growth in constant currency.
- 11% growth in Hospital operating revenue, 12% growth in constant currency.
- 19% constant currency revenue growth for consumables used in non-invasive ventilation, Optiflow and surgical applications, accounting for 55% of Hospital consumables revenue.
- 4% growth in Homecare operating revenue, 5% growth in constant currency.
- 8% revenue growth in constant currency in OSA masks.
- Investment in R&D increased by 13% to NZ\$47 million, representing 10% of operating revenue.

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.

Ends

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Accompanying Documents

Attached to this news release are the following additional documents:

- Results in Brief
- Interim Report 2018, including financial commentary and constant currency analysis
- Investor Presentation
- Appendix 1
- Appendix 7

Constant Currency Information

Constant currency information included within this news release is non-conforming financial information, as defined by the NZ Financial Markets Authority, and has been provided to assist users of financial information to better understand and track the company's comparative financial performance without the impacts of spot foreign currency fluctuations and hedging results and has been prepared on a consistent basis each year. A constant currency analysis is included on page 17 of the company's Interim Report 2018 and the company's constant currency income statement framework can be found on the company's website at www.fphcare.com/ccis.

Half Year Results Conference Call

Fisher & Paykel Healthcare will host a conference call today to review the results and to discuss the outlook for the 2018 financial year. The conference call is scheduled to begin at 10:00am NZDT, 8:00am AEDT Tuesday 21 November (4:00pm UEST, Monday 20 November) and will be broadcast simultaneously over the Internet.

To listen to the webcast, access the company's website at www.fphcare.com/investor. Please allow extra time prior to the webcast to visit the site and download the streaming media software if required. An online archive of the event will be available approximately two hours after the webcast and will remain on the site for two weeks.

To attend the conference call, participants should dial in to one of the numbers below at least 5 minutes prior to the scheduled call time and identify yourself to the operator. When prompted, please quote the conference code of: **5427837**.

New Zealand Toll Free	0800 423 970	US/Canada Toll Free	866 548 4713
Australia Toll Free	1800 573 793	Hong Kong Toll Free	800 961 105
United Kingdom Toll Free	0800 358 6377	International	+64 9 913 3622

Results in Brief

	Six Months Ended 30 September 2016 NZ\$M (except as otherwise stated)	Six Months Ended 30 September 2017 NZ\$M (except as otherwise stated)	% Change
UNAUDITED			
FINANCIAL PERFORMANCE			
Total operating revenue	425.2	458.4	+8%
Cost of sales	(149.3)	(155.7)	+4%
Gross profit	275.9	302.7	+10%
Gross margin	64.9%	66.0%	+116bps
Other income	2.5	2.5	-
Selling, general and administrative expenses	(126.1)	(143.3)	+14%
Research and development expenses	(41.6)	(46.9)	+13%
R&D percentage of operating revenue	9.8%	10.2%	
Total operating expenses	(167.7)	(190.2)	+13%
Operating profit before financing costs	110.7	115.0	+4%
Operating margin	26.0%	25.1%	-90bps
Net financing income (expense)	0.5	(0.9)	-280%
Profit before tax	111.2	114.1	+3%
Tax expense	(33.0)	(32.8)	-1%
Profit after tax	78.2	81.3	+4%
Revenue by Region:			
North America	201.9	211.8	+5%
Europe	124.9	131.1	+5%
Asia Pacific	81.9	94.3	+15%
Other	16.5	21.2	29%
Total	425.2	458.4	+8%
Revenue by Product Group:			
Hospital	236.6	262.5	+11%
Homecare	183.3	191.3	+4%
Core products sub-total	419.9	453.8	+8%
Distributed and other	5.3	4.6	-13%
Total	425.2	458.4	+8%
FINANCIAL POSITION			
Tangible assets	732.4	848.9	
Intangible assets (including deferred tax asset)	72.6	84.9	
Total assets	805.0	933.8	
Total liabilities	215.0	246.6	
Shareholders' equity	590.0	687.2	
Gearing	7.3%	3.8%	
Net tangible asset backing (cents per share)	94	108	

Results in Brief (continued)

UNAUDITED	Six Months Ended 30 September 2016 NZ\$M (except as otherwise stated)	Six Months Ended 30 September 2017 NZ\$M (except as otherwise stated)	% Change
CASH FLOWS			
Net cash flow from operating activities	76.2	82.2	
Net cash flow (used in) investing activities	(30.4)	(51.6)	
Net cash flow (used in) financing activities	(47.1)	(40.2)	
SHARES OUTSTANDING			
Weighted average basic shares outstanding	564,988,383	569,032,090	
Weighted average diluted shares outstanding	573,426,469	575,686,404	
Basic shares outstanding at period end	566,655,585	570,536,208	
DIVIDENDS AND EARNINGS PER SHARE			
Dividends (interim paid/proposed) per share (cents)	8.25	8.75	+6%
Basic earnings per share (cents)	13.8	14.3	+4%

Constant Currency Analysis

CONSTANT CURRENCY INCOME STATEMENTS UNAUDITED	Six Months Ended 30 September 2016 NZ\$M	Six Months Ended 30 September 2017 NZ\$M	% Change
Total operating revenue	416.7	451.4	+8%
Cost of sales	146.1	156.2	+7%
Gross profit	270.6	295.2	+9%
Gross margin	64.9%	65.4%	+47bps
Other income	2.5	2.5	-
Selling, general and administrative expenses	126.6	144.5	+14%
Research and development expenses	41.6	46.9	+13%
Total operating expenses	168.2	191.4	+14%
Operating profit before financing costs	104.9	106.3	+1%
Operating margin	25.2%	23.5%	-162bps
Financing expenses (net)	2.1	0.9	-57%
Profit before tax	102.8	105.4	+3%

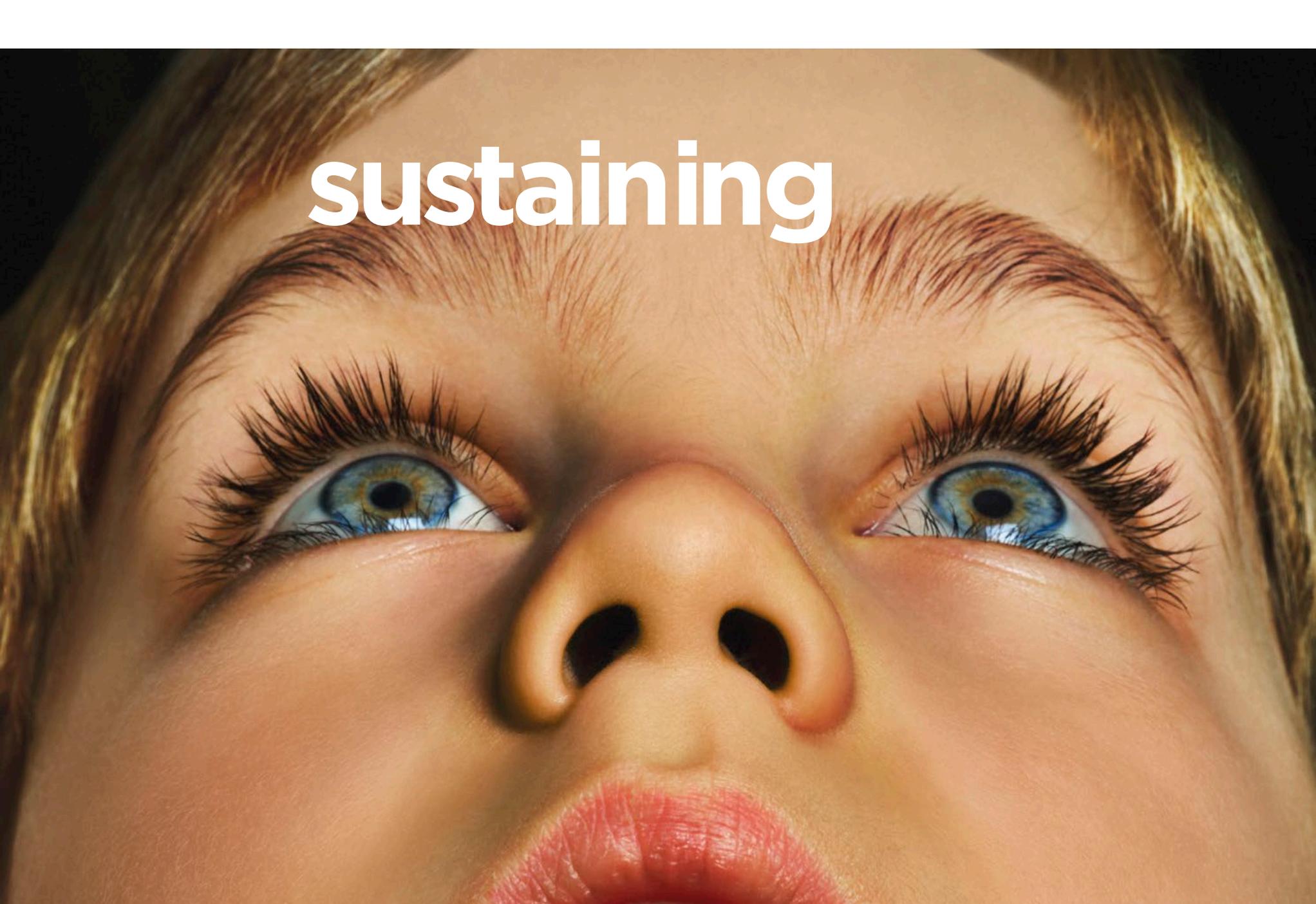
The significant exchange rates used in the constant currency analysis, being the budget exchange rates for the year ending 31 March 2018, are USD 0.69, EUR 0.66, AUD 0.92, GBP 0.57, CAD 0.94, JPY 80 and MXN 13.5.

A constant currency income statement is prepared each month to enable the board and management to monitor and assess the company's underlying comparative financial performance without any distortion from changes in foreign exchange rates. The table above provides estimated NZ dollar income statements for the relevant periods, which have all been restated at the budget foreign exchange rates for the 2018 financial year but after excluding the impact of movements in foreign exchange rates, hedging results and balance sheet translations.

This constant currency analysis is non-conforming financial information, as defined by the NZ Financial Markets Authority, and has been provided to assist users of financial information to better understand and assess the company's financial performance without the impacts of spot foreign currency fluctuations and hedging results and has been prepared on a consistent basis each half year. The company's constant currency income statement framework can be found on the company's website at www.fphcare.com/ccis.

growing





sustaining



**“Delivering
sustainable
growth over
the long term
will take care
and innovation.
We’ve set our
sights on both.”**

Big achievements.

Yesterday to today.

We entered the respiratory care market in 1970 with the development of a unique humidifier system for critical care.

Through a commitment to innovation, doing the right thing and doing what's best for patients, we've continued to deliver sustainable year-on-year growth.

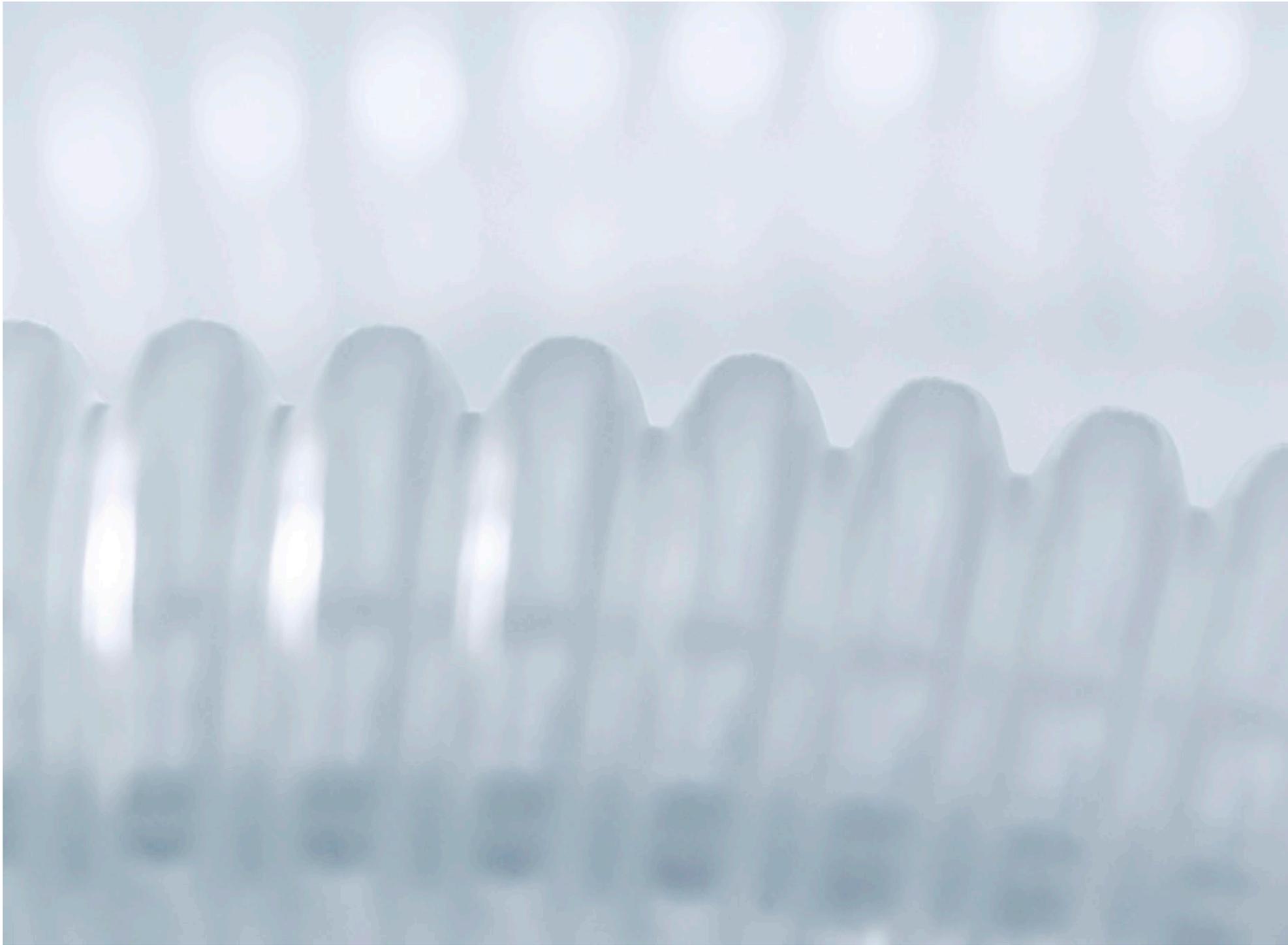
Today we employ over 4,000 people in 35 countries, contributing to the care of an estimated 12 million patients each year.

Bigger aspirations.

Today to tomorrow.

Our continued focus on innovation and patient care will underpin our continued growth over the next 20 years and beyond.

We are working on opportunities today that have the potential - over the short, medium and longer term - to allow us to support the care of over 50 million patients worldwide each year.



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Constant currency information contained within this report is non-conforming financial information, as defined by the NZ Financial Markets Authority, and has been provided to assist users of financial information to better understand and assess the company's financial performance without the impacts of spot foreign currency fluctuations and hedging results and has been prepared on a consistent basis each financial year. A reconciliation between reported results and constant currency results is available on page 17 of this report. The company's constant currency income statement framework can be found on the company's website at www.fphcare.com/ccis.

This report is dated 21 November 2017 and is signed on behalf of Fisher & Paykel Healthcare Corporation Limited by Tony Carter, Chairman and Lewis Gradon, Managing Director and Chief Executive Officer.



TONY CARTER, CHAIRMAN



LEWIS GRADON, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Half year highlights



RECORD NET PROFIT AFTER TAX

\$81.3m

RECORD OPERATING REVENUE

\$458.4m

↑ **8%**

RECORD HOSPITAL REVENUE

\$262.5m

↑ **11%**

OSA* MASK REVENUE
GROWTH IN CONSTANT CURRENCY

↑ **8%**

* Obstructive sleep apnea

NEW APPLICATIONS*
CONSUMABLES REVENUE GROWTH
IN CONSTANT CURRENCY

↑ **19%**

* New applications: Non-invasive ventilation,
hospital respiratory support and surgical
humidification

INCREASED FULLY IMPUTED
INTERIM DIVIDEND

8.75cps

↑ **6%**



Business updates

+ CONTINUED

WITH THE ROLL OUT OF OUR NEW ENTERPRISE RESOURCE PLANNING SYSTEM IN JAPAN, CHINA, TAIWAN AND HONG KONG

+ AWARDED

NZ BEST DESIGN AWARDS FOR OUR OPTIFLOW JUNIOR 2, BREVIDA, ESON 2 AND SLEEPSTYLE PRODUCTS

+ FAREWELLED

LINDSAY GILLANDERS AS A NON-EXECUTIVE DIRECTOR ON THE BOARD AFTER 25 YEARS SERVICE

+ INCLUDED

IN THE DOW JONES SUSTAINABILITY ASIA PACIFIC INDEX AND THE DOW JONES SUSTAINABILITY AUSTRALIA INDEX FOR THE SECOND YEAR RUNNING

+ CONTINUED

OUR CONSISTENT GROWTH STRATEGY

+ WELCOMED

PIP GREENWOOD AS A NEW NON-EXECUTIVE DIRECTOR ON OUR BOARD

+ LAUNCHED

OUR NEW PRODUCTS, SLEEPSTYLE AND OPTIFLOW JUNIOR 2 IN AUSTRALASIA

+ BEGAN

PREPARATION FOR CONSTRUCTION ON OUR NEW FACILITIES IN NEW ZEALAND AND MEXICO

+ RECEIVED

FOREIGN TRADE ZONE LICENSE FOR OUR CALIFORNIAN DISTRIBUTION CENTRE

What we do

We design, manufacture and market products and systems for use in respiratory care, acute care, surgery and the treatment of obstructive sleep apnea.

Our medical devices and technologies are designed to help patients get better faster and improve their quality of life. We help patients transition to less acute care settings, help them recover quicker and provide solutions that can assist them to avoid more acute conditions. We also provide the ability for some patients to be treated in the home rather than the hospital.

Our products are categorised into two groups: Hospital and Homecare.



Hospital



Homecare

57%
OF OPERATING REVENUE

OPERATING REVENUE
(1H18 \$262.5M)

↑ **11%**

1H18 CONSTANT CURRENCY
REVENUE GROWTH

↑ **12%**



Respiratory humidification and support

Our world-leading respiratory humidification products and systems are used in invasive and non-invasive ventilation and in nasal high flow therapy to provide warm, humidified air to patients in respiratory distress. Heated and humidified air can assist in maintaining the body's natural balance of heat and moisture in the airways, improve patient comfort and compliance, and deliver better therapy outcomes.



Surgical technologies

We offer surgical humidification products which have been shown to reduce certain complications associated with laparoscopic and open surgery.

42%
OF OPERATING REVENUE

OPERATING REVENUE
(1H18 \$191.3M)

↑ **4%**

1H18 CONSTANT CURRENCY
REVENUE GROWTH

↑ **5%**



CPAP therapy/OSA

Patients suffering from obstructive sleep apnea (OSA) benefit from continuous positive airway pressure (CPAP) therapy, which is delivered through flow devices and facial masks. Our recently launched SleepStyle CPAP device offers many technological benefits for patients, and our market-leading masks are well known for their comfort, effective seal and easy use.



Home respiratory support

Our world-leading range of respiratory humidification products are also used to provide respiratory support in the home and for patients in long-term care. This enables patients to receive the benefits of our Optiflow nasal high flow therapy and ventilation outside of the hospital.

Sustainable growth through innovation

We are pleased to report our result for the first half of the 2018 financial year. Net profit after tax was up 4% for the half at NZ\$81.3 million, and operating revenue was NZ\$458.4 million, which is 8% above the first half last year.

Trading has been in-line with our expectations for the first half of this financial year, and our net profit after tax growth of 4% is impacted by the timing of patent litigation costs compared to the first half of the prior year. In the first half of 2017, we incurred one month's worth of patent litigation expenses (NZ\$2.4M) as opposed to the 2018 financial year where we have had six months of these costs (NZ\$12.2M). Our updated net profit after tax guidance for the full year of approximately NZ\$185-190M includes anticipated litigation expenses.

Last financial year we estimated that our products were used in the treatment of more than 12 million patients. This is a number that continues to grow year on year, and we expect to see this growth pattern continue well into the future.

Product groups

Our business is structured in two parts: Hospital and Homecare. The Hospital side of our business includes products that are used in respiratory and acute care, and during surgery. Our systems in this product group are designed to help improve patient outcomes by reducing the likelihood of medical complications and the need to transition to more intensive settings. Cost savings for healthcare providers are often achieved through shorter lengths of stay, reduced infections and lower readmission rates.

In the first half of the financial year, the Hospital product group delivered 11% growth in operating revenue.

This growth is due largely to the positive response we have received to our Optiflow nasal high flow therapy system, which is becoming widely used around the world.

Our Homecare product group includes products and systems used to treat OSA and patients requiring respiratory support in the home. Products in this group include CPAP therapy devices and masks, flow generators, interfaces and data management technologies.

In the first half of the financial year, the Homecare product group delivered 4% growth in operating revenue. This result has been largely supported by a continuation of good growth in our OSA mask business, particularly from our new Brevida nasal pillows mask which has only been available in the US from March this year.



We see large and diverse opportunities for sustained and profitable long-term growth.

LEWIS GRADON
Managing Director and Chief Executive Officer

Innovation, caring for patients and producing quality products is the backbone for sustainable growth.

TONY CARTER
Chairman



Our approach

Our company is centred on innovation. Caring for the patient, and continuing to produce quality products that achieve better patient care, is a philosophy that drives all the teams within our business.

Continuing to innovate in a way that supports our customers is a competitive advantage and is crucial to achieving and extending our leading positions in the markets in which we operate. In the first half of the 2018 financial year, approximately 31% of our revenue was derived from products that had been introduced within the last five years.

We have a consistent growth strategy - designing better, more effective products to support improved patient outcomes, developing new therapies that change clinical practice and reduce costs to healthcare systems, extending our presence around the world, and ensuring that our growth is managed in a sustainable, profitable way.

Sustainable, profitable growth

We have a number of large opportunities for growth ahead of us. The first, currently significant opportunity is in hospital respiratory support, with our Airvo and Optiflow products for nasal high flow therapy. We estimate that our products are being used to treat more than two million patients each year out of more than 30 million patients admitted to hospital annually who could benefit from this therapy.

In the medium-term, we expect to see material revenue growth in our home respiratory segment. This involves patients with chronic respiratory conditions being treated in their homes with our Optiflow and myAirvo products. This part of our business is currently small, and we estimate that annually there are more than 10 million patients with chronic respiratory problems being treated in the hospital who could be effectively treated in the home. We are supporting the development of clinical evidence showing that use of our nasal high flow therapy in the home will result in improvements in quality of life and reduced hospital readmissions.

Over the next decade, we expect our surgical products to be a more material contributor to our overall business. Our Humigard system is used to warm and humidify the CO₂ that is used during laparoscopic and some open surgical procedures. This therapy has been shown to significantly reduce the risk of postoperative complications and their associated costs. Currently, we support around 40,000 patients in this product group, but estimate that this could extend to a potential 20 million patients annually.

It is clear that we have large and diverse opportunities available in the short, medium and long-term. We have a number of new products that will be released over the next few years and intend that these products, along with our consistent growth strategy, will support sustainable and profitable growth over the long-term.

Patent litigation update

There have been a number of developments over the past six months relating to the patent litigation that we are involved in with one of our competitors, ResMed. In Germany

in October 2017 we were successful in having two proceedings brought by ResMed against us suspended. The same court ruled that a German utility model patent asserted by us against ResMed is not infringed, and we have appealed that decision. Within the last two weeks a UK court ruled that a patent asserted against us by ResMed was invalid. Subject to any appeal, this patent will therefore be revoked in the UK and we will be entitled to recover our legal costs of the proceedings from ResMed.

These recent decisions reinforce our confidence in our position and we are satisfied with progress so far. A further update on the patent litigation is included on page 25 of this report.

Board changes

This half year, long-serving director Lindsay Gillanders retired from the Board. We have benefited from Lindsay's vast expertise in legal and intellectual property matters as well as his international business experience, and would like to acknowledge his considerable contribution over the years.

In June, Pip Greenwood was appointed as a non-executive director of the Board. Pip is a board member and senior partner at Russell McVeagh, a leading New Zealand law firm. Pip's appointment in June gave us a seamless transition from Lindsay's retirement in August.

We also support the Future Directors' programme, and are pleased to announce that our current participant, Rachael Newsome, has extended her time with us from 12 to 18 months. Her term will now conclude at the end of March 2018. We value the perspective Rachael has brought to our Board meetings, and look forward to her input for another six months.

Dividend

The Board of Directors has approved an increased interim dividend of 8.75 cents per share for the six months to 30 September 2017. This is approximately 61% of net profit after tax. The interim dividend will be paid on 20 December 2017.

Summary

We are a world-class business headquartered in New Zealand, with an excellent and experienced management team with considerable global healthcare experience. Our focus is on growing organically by delivering excellent healthcare solutions for patients.

We have a long-standing aim to double our constant currency revenue every five to six years, which equates to a growth rate of more than 12% every year. Our performance this financial year to date, and the developing nature of the markets in which we operate, mean we remain confident that we are on track to continue delivering on this objective.



TONY CARTER, CHAIRMAN



LEWIS GRADON, MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Our aspirations

We've established an enviable track record for delivering sustainable revenue growth.

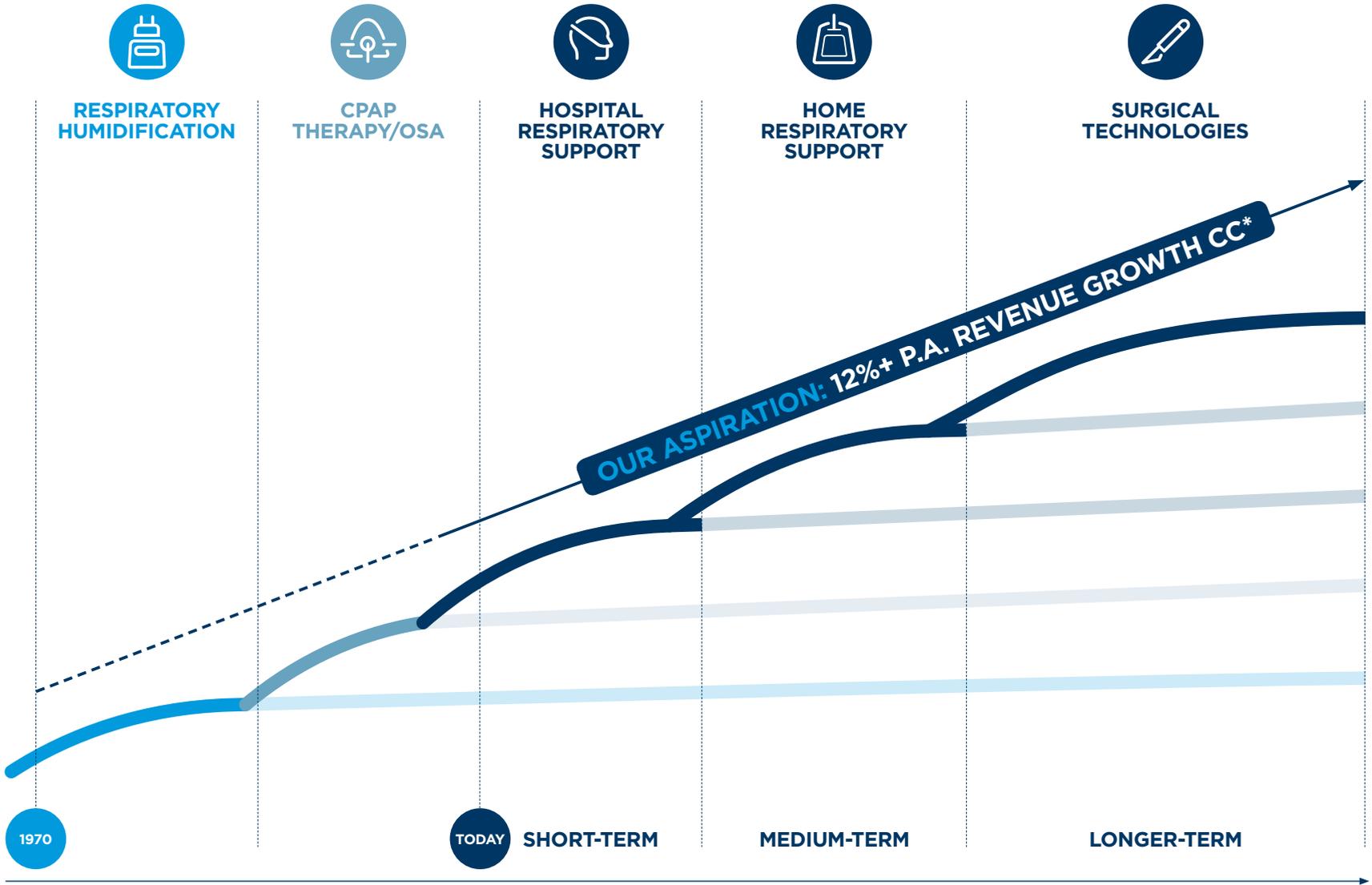
Through increasing our global reach, designing and making better products, changing clinical practice, and concentrating on a sustainable profit journey, we believe we can continue to maintain those growth rates over the long term.

In order to make a significant difference to global healthcare systems, we recognise the need to invest for long-term growth - in research, technology and the development of our employees. We have a responsibility to be a sustainable, long-term partner for the many patients, doctors, nurses, suppliers, investors, and other stakeholders who we affect every day.

Our aspiration over the long term is to deliver 12% revenue growth per year, or doubling our constant currency revenue every five to six years. How will we do this? Through building on what we know, leveraging our competitive advantages and bringing our care by design philosophy to everything we do.

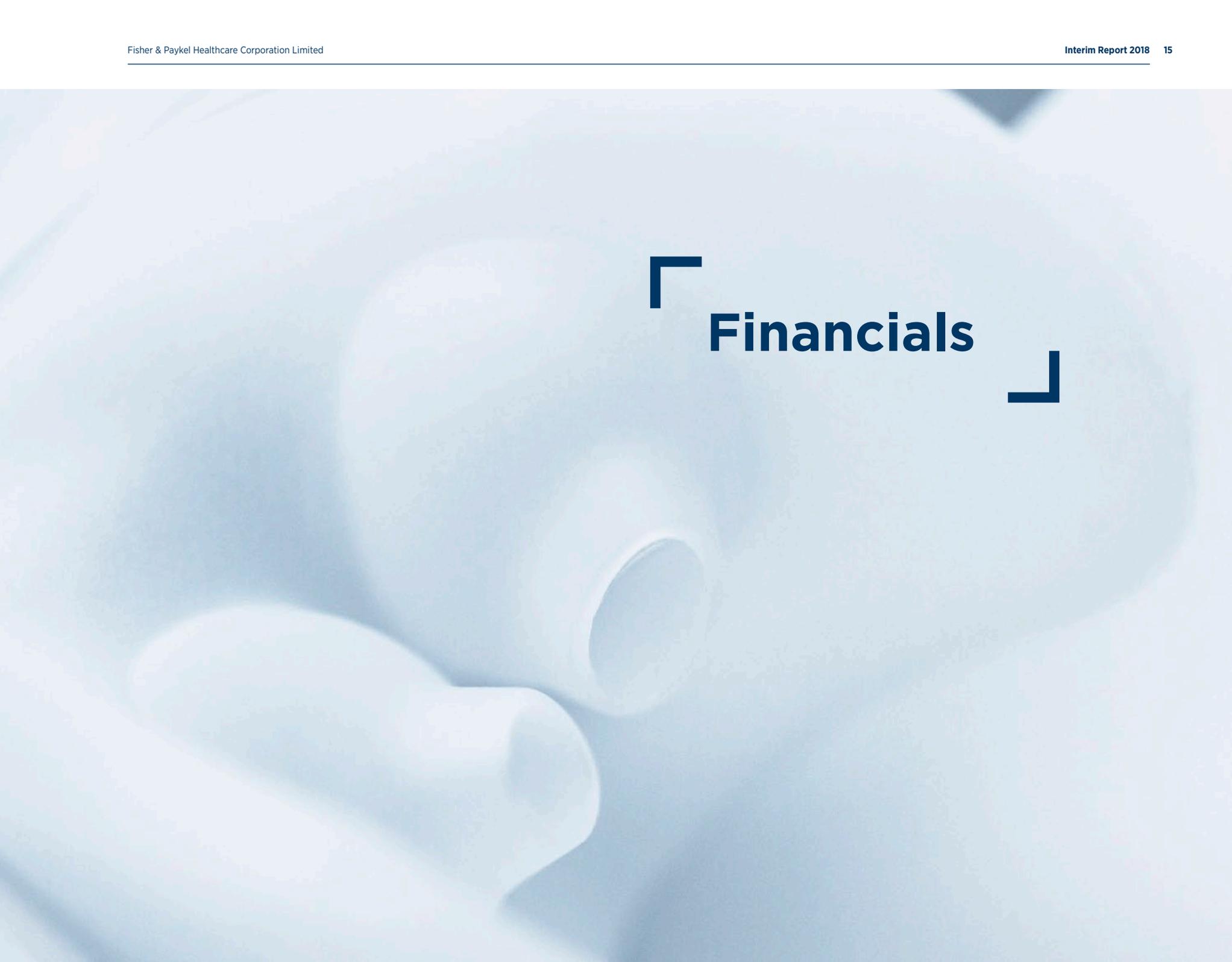
Because at the end of the day, if we can do better for patients, then we do better for everyone.

OUR ASPIRATION: Sustainably DOUBLING our constant currency revenue every 5-6 years.



*CONSTANT CURRENCY





Financials

Financial commentary

CONSTANT CURRENCY ANALYSIS

A constant currency income statement is prepared each month to enable the Board and management to monitor and assess the company's underlying comparative financial performance without any distortion from changes in foreign exchange rates. The table below provides estimated NZ dollar income statements for the relevant periods, which have all been restated at the budget foreign exchange rates for the 2018 financial year but after excluding the impact of movements in foreign exchange rates, hedging results and balance sheet translations. This constant currency analysis is non-conforming financial information, as defined by the NZ Financial Markets Authority, and has been provided to assist users of financial information to better understand and assess the company's financial performance without the impacts of spot foreign currency fluctuations and hedging results and has been prepared on a consistent basis each year. The company's constant currency income statement framework can be found on the company's website at www.fphcare.com/ccis.

CONSTANT CURRENCY INCOME STATEMENTS (UNAUDITED)

	Six months ended 30 Sep 2015 NZ\$M	Six months ended 30 Sep 2016 NZ\$M	Variation 2015 to 2016 %	Six months ended 30 Sep 2017 NZ\$M	Variation 2016 to 2017 %
Operating revenue	360.2	416.7	+16	451.4	+8
Cost of sales	133.0	146.1	+10	156.2	+7
Gross profit	227.2	270.6	+19	295.2	+9
Gross Margin	63.1%	64.9%	+186bps	65.4%	+47bps
Other income	2.5	2.5	-	2.5	-
Selling, general and administrative expenses	107.6	126.6	+18	144.5	+14
Research & development expenses	35.8	41.6	+16	46.9	+13
Total operating expenses	143.4	168.2	+17	191.4	+14
Operating profit	86.3	104.9	+22	106.3	+1
Operating margin	23.9%	25.2%	+121bps	23.5%	-162bps
Financing expenses (net)	3.1	2.1	-32	0.9	-57
Profit before tax	83.2	102.8	+24	105.4	+3

The significant exchange rates used in the constant currency analysis, being the budget exchange rates for the year ending 31 March 2018, are USD 0.69, EUR 0.66, AUD 0.92, GBP 0.57, CAD 0.94, JPY 80 and MXN 13.50.

RECONCILIATION OF CONSTANT CURRENCY TO ACTUAL INCOME STATEMENTS (UNAUDITED)

	Six months ended 30 September		
	2015 NZ\$M	2016 NZ\$M	2017 NZ\$M
Profit before tax (constant currency)	83.2	102.8	105.4
Spot exchange rate effect	0.2	3.5	(1.8)
Foreign exchange hedging result	(7.1)	9.7	10.4
Balance sheet revaluation	8.3	(4.8)	0.1
Profit before tax (as reported)	84.6	111.2	114.1

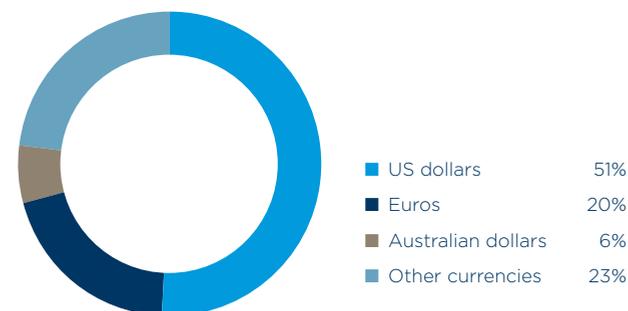
The reconciliation set out above illustrates that, when comparing the NZ dollar profit before tax shown in the actual income statement for the six months to 30 September 2017 with the corresponding period for the prior year:

- the movement in average daily spot exchange rates had an unfavourable impact of NZ\$5.3 million; and
- the company's foreign exchange hedging activities had a favourable impact of NZ\$0.7 million.

Overall, the net favourable effect of movements in exchange rates and the hedging programme was NZ\$0.3 million, including the impact of balance sheet revaluations.

FOREIGN EXCHANGE EFFECTS

The company is exposed to movements in foreign exchange rates, with approximately 51% of operating revenue generated in US dollars, 20% in Euros, 6% in Australian dollars and 23% in other currencies.



In the current period the proportion of revenue which was generated in US dollars was 51% (52% last full year). This was mainly due to changes in the value of the US dollar compared to last year. The proportion of revenue from other currencies has remained relatively stable. The company's cost base continues to be increasingly diverse, as manufacturing output from Mexico has increased to 35% of total output.

On average over the reporting period the value of the New Zealand dollar against the currencies we are exposed to has generally moved unfavourably however US dollar hedges put in place in the 2015 calendar year have provided better protection than the prior comparative period. Average EUR conversion rates were unfavourable as measured against the prior comparative period during FY17 as we had delivered the last of the very favourable long-term EUR hedges put in place at the time of the Global Financial Crisis. As a net result a foreign exchange hedging gain of NZ\$10.4 million (2016: NZ\$9.7 million) to operating profit was recorded, being similar to the prior corresponding period.

The average daily spot rate and the average conversion exchange rate (i.e. the accounting rate, incorporating the benefit of forward exchange contracts entered into by the company in respect of the relevant financial year) of the main foreign currency exposures for the six months ended 2016 and 2017 are set out in the table below:

	Average Daily Spot Rate		Average Conversion Exchange Rate	
	Six months ended 30 September		Six months ended 30 September	
	2016	2017	2016	2017
USD	0.7069	0.7178	0.6930	0.6832
EUR	0.6298	0.6310	0.5836	0.6056

The effect of balance sheet translations of offshore assets and liabilities for the six months ended 30 September 2017 resulted in an increase in operating revenue of NZ\$0.6 million (2016: decrease of NZ\$5.3 million) and an increase in profit before tax of NZ\$0.1 million (2016: decrease of NZ\$4.8 million).

Foreign Exchange Hedging Position

The hedging position for our main exposures, the US dollar and Euro, as at the date of this report is:

	FY18 2H	FY19	FY20	FY21	FY22	FY23
USD % cover of expected exposure	90%	70%	55%	20%	0%	0%
USD average rate of cover	0.678	0.673	0.658	0.627	NA	NA
EUR % cover of expected exposure	90%	70%	40%	20%	20%	20%
EUR average rate of cover	0.594	0.616	0.581	0.539	0.522	0.509

Hedging cover percentages have been rounded to the nearest 5%.

BALANCE SHEET

Gearing¹ at 30 September 2017 was 3.8%, higher than the 0.0% gearing at 31 March 2017. The increase in gearing since 31 March 2017 is a result of increased capital expenditure, principally land and buildings, and the increased FY17 final dividend paid in July. The gearing figure remains within the debt to debt plus equity target range of +5% to -5%.

Gearing¹



FUNDING

The company had total available committed debt funding of NZ\$255 million as at 30 September 2017, of which approximately NZ\$182 million was undrawn, and cash on hand of NZ\$59 million. Bank debt facilities provide all available funding. Over the next 12 months debt facilities totalling NZ\$30 million will mature. As at 30 September 2017, the weighted average maturity of borrowing facilities was 2.4 years.

Debt maturity

The average maturity of the term borrowings of NZ\$62 million was 3.2 years and the currency split was 71% US dollars; 20% Euros; 6% Australian dollars and 3% Canadian dollars (no NZD denominated term borrowings).

Interest rates

Approximately 74% of all borrowings were at fixed interest rates with an average duration of 3.0 years and an average rate of 2.9%. Inclusive of floating rate borrowings, the average interest rate on the debt is currently 2.7%. All interest rates are inclusive of margins but not fees.

Cash flow

Cash flow from operations was NZ\$82.2 million compared with NZ\$76.2 million for the six months ended 30 September 2016. The increase includes a benefit in the timing of tax payments.

Capital expenditure for the six months was NZ\$51.6 million compared with NZ\$30.4 million in the prior year. The capital expenditure related predominantly to new product tooling and manufacturing equipment as well as property and intangible costs. Property expenditure related to land acquisition costs in Tijuana, Mexico and early earthworks costs for the fourth building on our East Tamaki, Auckland campus, NZ\$20.0 million in total. Due to the New Zealand and Mexico building programme we expect capital expenditure to be higher in the second half of the financial year with full year capital expenditure estimated to be NZ\$130 million.

1. Net interest-bearing debt (debt less cash and cash equivalents) to net interest-bearing debt and equity (less cash flow hedge reserve - unrealised).

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2017

	Notes	Unaudited 2016 NZ\$M	Unaudited 2017 NZ\$M
Operating revenue	3	425.2	458.4
Cost of sales		(149.3)	(155.7)
Gross profit		275.9	302.7
Other income		2.5	2.5
Selling, general and administrative expenses		(126.1)	(143.3)
Research and development expenses		(41.6)	(46.9)
Total operating expenses		(167.7)	(190.2)
Operating profit before financing costs		110.7	115.0
Financing income		0.1	0.7
Financing expense		(2.2)	(1.8)
Exchange gain on foreign currency borrowings		2.6	0.2
Net financing income (expense)		0.5	(0.9)
Profit before tax	4	111.2	114.1
Tax expense		(33.0)	(32.8)
Profit after tax		78.2	81.3
Basic earnings per share		13.8 cps	14.3 cps
Diluted earnings per share		13.6 cps	14.1 cps

The accompanying Notes form an integral part of the Financial Statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2017

	Unaudited 2016 NZ\$M	Unaudited 2017 NZ\$M
Profit after tax	78.2	81.3
Other comprehensive income		
<i>Items that may subsequently be reclassified to profit or loss</i>		
Hedging reserves		
Changes in fair value in hedging reserves	26.8	9.2
Transfers to profit before tax	(3.9)	(8.9)
Tax on changes in fair value and transfers to profit before tax	(6.4)	(0.1)
Other comprehensive income, net of tax	16.5	0.2
Total comprehensive income	94.7	81.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2017

	Share capital NZ\$M	Treasury shares NZ\$M	Retained earnings NZ\$M	Asset revaluation reserve NZ\$M	Hedge reserves NZ\$M	Share based payments reserves NZ\$M	Total equity NZ\$M
Balance at 31 March 2016 (audited)	165.6	(2.4)	327.9	32.5	12.1	6.0	541.7
Adjustment on adoption of NZ IFRS 9 (net of tax)	-	-	(2.8)	-	2.8	-	-
Total comprehensive income	-	-	78.2	-	16.5	-	94.7
Dividends paid	-	-	(56.4)	-	-	-	(56.4)
Issue of share capital	8.5	-	-	-	-	-	8.5
Share based payment transactions	1.8	-	-	-	-	(0.3)	1.5
Balance at 30 September 2016 (unaudited)	175.9	(2.4)	346.9	32.5	31.4	5.7	590.0
Balance at 31 March 2017 (audited)	183.5	(1.7)	391.0	53.5	26.5	8.8	661.6
Total comprehensive income	-	-	81.3	-	0.2	-	81.5
Dividends paid	-	-	(63.9)	-	-	-	(63.9)
Issue of share capital	7.7	-	-	-	-	-	7.7
Movement in treasury shares	-	(1.4)	-	-	-	-	(1.4)
Share based payment transactions	3.4	-	-	-	-	(1.7)	1.7
Balance at 30 September 2017 (unaudited)	194.6	(3.1)	408.4	53.5	26.7	7.1	687.2

The accompanying Notes form an integral part of the Financial Statements.

CONSOLIDATED BALANCE SHEET

As at 30 September 2017

	Notes	Audited 31 March 2017 NZ\$M	Unaudited 30 September 2017 NZ\$M
ASSETS			
Current assets			
Cash and cash equivalents		61.3	59.5
Trade and other receivables		129.6	132.2
Inventories		135.0	145.7
Derivative financial instruments	6	21.2	20.4
Tax receivable		2.0	3.2
Total current assets		349.1	361.0
Non-current assets			
Derivative financial instruments	6	24.1	29.2
Other receivables		2.5	2.4
Property, plant and equipment		425.2	456.4
Intangible assets		44.5	47.9
Deferred tax asset		32.8	36.9
Total assets		878.2	933.8
LIABILITIES			
Current liabilities			
Interest-bearing liabilities		21.1	25.6
Trade and other payables		102.2	106.4
Provisions		4.0	4.1
Tax payable		14.7	10.7
Derivative financial instruments	6	3.6	5.8
Total current liabilities		145.6	152.6
Non-current liabilities			
Interest-bearing liabilities		39.9	60.3
Provisions		2.0	2.1
Other payables		8.6	9.0
Derivative financial instruments	6	5.1	6.9
Deferred tax liability		15.4	15.7
Total liabilities		216.6	246.6

	Notes	Audited 31 March 2017 NZ\$M	Unaudited 30 September 2017 NZ\$M
EQUITY			
Share capital		183.5	194.6
Treasury shares		(1.7)	(3.1)
Retained earnings		391.0	408.4
Asset revaluation reserve		53.5	53.5
Hedge reserves		26.5	26.7
Share based payments reserves		8.8	7.1
Total equity		661.6	687.2
Total liabilities and equity		878.2	933.8

The accompanying Notes form an integral part of the Financial Statements.

On behalf of the Board
20 November 2017



Tony Carter
Chairman



Lewis Gradon
Managing Director and Chief Executive Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2017

	Unaudited 2016 NZ\$M	Unaudited 2017 NZ\$M
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	433.6	456.4
Grants received	2.2	2.2
Interest received	0.1	0.5
Payments to suppliers and employees	(307.7)	(333.4)
Tax paid	(49.9)	(42.3)
Interest paid	(2.1)	(1.2)
Net cash flows from operations	76.2	82.2
CASH FLOWS (USED IN) INVESTING ACTIVITIES		
Sales of property, plant and equipment	0.1	-
Purchases of property, plant and equipment	(22.7)	(44.1)
Purchases of intangible assets	(7.8)	(7.5)
Net cash flows (used in) investing activities	(30.4)	(51.6)
CASH FLOWS (USED IN) FINANCING ACTIVITIES		
Employee share purchase schemes	0.4	0.2
Issue of share capital	0.8	0.3
New borrowings	-	20.7
Repayment of borrowings	-	(3.6)
Dividends paid	(48.3)	(57.8)
Net cash flows (used in) financing activities	(47.1)	(40.2)
Net increase (decrease) in cash	(1.3)	(9.6)
Opening cash	2.5	45.6
Effect of foreign exchange rates	(0.7)	(0.2)
Closing cash	0.5	35.8
RECONCILIATION OF CLOSING CASH		
Cash and cash equivalents	18.0	59.5
Bank overdrafts	(17.5)	(23.7)
Closing cash	0.5	35.8

	Unaudited 2016 NZ\$M	Unaudited 2017 NZ\$M
CASH FLOW RECONCILIATION		
Profit after tax	78.2	81.3
Add (deduct) non-cash items:		
Depreciation of property, plant and equipment	15.5	18.4
Amortisation of intangibles	4.4	5.1
Movement in provisions	(0.2)	0.1
Movement in deferred tax assets / liabilities	4.4	(3.8)
Movement in working capital:		
Trade and other receivables	12.8	(2.4)
Inventories	(11.8)	(10.7)
Trade and other payables	(5.9)	(1.7)
Taxation payable / receivable	(19.2)	(5.2)
Foreign currency translation	(2.0)	(0.5)
Other	-	1.6
Net cash flows from operations	76.2	82.2

The accompanying Notes form an integral part of the Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2017

1. GENERAL INFORMATION

Reporting entity

Fisher & Paykel Healthcare Corporation Limited (the "Company" or "Parent") together with its subsidiaries (the "Group") is a leading designer, manufacturer and marketer of medical device products and systems for use in respiratory care, acute care and the treatment of obstructive sleep apnea. Products are sold in over 120 countries worldwide. The Company is a limited liability company incorporated and domiciled in New Zealand.

The Company is registered under the Companies Act 1993 and is an FMC reporting entity under Part 7 of the Financial Markets Conduct Act 2013. The Company is also listed on the New Zealand Stock Exchange (NZX) and the Australian Securities Exchange (ASX).

Basis of preparation

These consolidated financial statements for the six months ended 30 September 2017 have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with New Zealand Equivalent to International Accounting Standard 34: Interim Financial Reporting (NZ IAS 34) and International Accounting Standard 34: Interim Financial Reporting (IAS 34). The Company and Group are designated as profit-oriented entities for financial reporting purposes.

These consolidated financial statements do not include all the notes normally included in an annual financial report. Accordingly, this report should be read in conjunction with the audited consolidated financial statements for the year ended 31 March 2017.

All accounting policies have been applied on a basis consistent with those used in the audited consolidated financial statements for the year ended 31 March 2017, as described in those annual financial statements. The Group has also been consistent in applying the judgements, estimates and assumptions adopted in the audited consolidated financial statements for the year ended 31 March 2017.

These consolidated financial statements are presented in New Zealand dollars (NZD or \$) to the nearest million (to one decimal place) unless otherwise stated.

2. SIGNIFICANT TRANSACTIONS AND EVENTS FOR THE CURRENT PERIOD

The following significant transactions and events affected the financial performance and financial position of the Group for the six month period ended 30 September 2017:

Capital expenditure

On 2 May 2017 the acquisition of approximately 15 hectares of land in Tijuana, Mexico was completed at USD equivalent to NZ\$19.6 million. In October 2017, the Group signed an agreement to construct the new Mexico manufacturing facility for USD equivalent to NZ\$25.3 million. The land acquisition and construction will continue to be funded through existing debt facilities. Site works for a new building at our East Tamaki campus also commenced during the period.

Dividends

On 19 May 2017 the directors approved the payment of a fully imputed 2017 final dividend of \$63.9 million (11.25 cents per share) which was paid on 7 July 2017. A supplementary dividend of \$5.7 million (1.9853 cents per share) was also approved for eligible non-resident shareholders, for which the Group received an equivalent tax credit. 555,272 shares were issued under the Company's dividend reinvestment plan at an average price of \$11.13 (2017: \$9.36).

Share Capital

During the six months ended 30 September 2017, the Group issued 555,272 shares under the dividend reinvestment plan. 142,573 treasury shares were issued to employee share purchase plans and a further 2,151,927 shares were issued on exercise of share options and performance share rights.

Funding

During the period, the Group funded the acquisition of the Mexico land through existing debt facilities. The Company had total available committed debt funding of NZ\$255 million as at 30 September 2017, of which approximately NZ\$182 million was undrawn. Over the next 12 months debt facilities totalling NZ\$30 million will mature. As at 30 September 2017, the weighted average maturity of borrowing facilities was 2.4 years.

Hedge reserves

As at 30 September \$26.1 million of unrealised gains were held in the cash flow hedge reserve and \$0.6 million of unrealised gains were held in the costs of hedging reserve.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

3. OPERATING REVENUE

	Unaudited 30 September 2016 NZ\$M	Unaudited 30 September 2017 NZ\$M
Revenue before hedging:		
North America	199.4	206.7
Europe	118.5	127.6
Asia Pacific	80.1	92.2
Other	16.3	20.7
Total revenue before hedging	414.3	447.2
Foreign exchange gain on hedged sales	10.9	11.2
Total operating revenue	425.2	458.4

The breakdown of revenue before hedging presented above is based on the geographical location of the customer. This presentation is different to that shown in Note 9.

Revenue by Product Group

Hospital products	236.6	262.5
Homecare products	183.3	191.3
	419.9	453.8
Distributed and other products	5.3	4.6
Total operating revenue	425.2	458.4

4. EXPENSES

	Unaudited 30 September 2016 NZ\$M	Unaudited 30 September 2017 NZ\$M
Profit before tax includes the following expenses:		
Depreciation	15.5	18.4
Amortisation	4.4	5.1
Employee benefits expense	154.3	164.9
Rental and lease expense	4.9	4.9
Litigation expense	2.4	12.2

5. CONTINGENT LIABILITIES

Periodically the Group is party to litigation including product liability and patent claims.

ResMed Patent Litigation

United States

In August 2016, Fisher & Paykel Healthcare filed patent infringement proceedings in the US District Court for the Southern District of California seeking judgment that ResMed's AirSense 10 and AirCurve 10 range of flow generator products, ClimateLineAir heated air tubing, and water chambers for use with such flow generator products, as well as Swift LT and Swift FX masks infringe patents held by Fisher & Paykel Healthcare. ResMed responded that the patents asserted are not infringed and/or are invalid.

ResMed also filed a counterclaim in the US District Court for the Southern District of California seeking judgment that Fisher & Paykel Healthcare's Simplus and Eson range of masks used in the treatment of OSA infringe patents held by ResMed. Fisher & Paykel Healthcare responded that it does not infringe and/or the patents of ResMed are invalid.

Also in August 2016, ResMed requested that the US International Trade Commission (ITC) conduct an investigation into patent infringement allegations. Shortly before the start of the trial in May 2017, ResMed withdrew its complaint to the ITC. ResMed indicated at the time that it intended to file an additional ITC complaint but has not yet done so.

Both Fisher & Paykel Healthcare and ResMed have filed for inter partes review with the US Patent Trial and Appeal Board of the patents asserted by the other in the US.

Germany

ResMed initiated patent infringement proceedings in the Regional Court in Munich in relation to Fisher & Paykel Healthcare's Simplus and Eson range of masks. These proceedings are currently stayed pending the outcome of challenges to the validity of ResMed's patents that will be heard by the European Patent Office.

Fisher & Paykel Healthcare also filed patent infringement proceedings against ResMed in the Regional Court in Munich in relation to ResMed's AirSense 10 and AirCurve 10 range of flow generator products and Lumis series of non-invasive ventilators. One case is currently stayed pending the outcome of a validity challenge and one is awaiting its second hearing which has been scheduled for 2018. In a third case the court ruled that a German utility model patent was not infringed. Fisher & Paykel Healthcare has appealed that decision.

New Zealand

ResMed has initiated proceedings in the High Court of New Zealand in relation to Fisher & Paykel Healthcare's ICON CPAP device and Simplus and Eson range of masks. Fisher & Paykel Healthcare has filed a counterclaim in the High Court of New Zealand for non-infringement and revocation.

United Kingdom

In the United Kingdom Fisher & Paykel Healthcare sought a declaration of non-infringement and invalidity in the High Court of Justice Chancery Division Patents Court in respect of three patents asserted against Fisher & Paykel Healthcare in Germany. ResMed counterclaimed for infringement. Just before the trial was to start ResMed conceded to the revocation of two of its patents in the UK. The trial proceeded in relation to a third patent and the Court found that ResMed's patent was invalid in its entirety. Subject to any appeal, this patent will be revoked in the UK and Fisher & Paykel Healthcare is entitled to recover its legal costs of the proceedings from ResMed for an amount yet to be determined by the Court.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5. CONTINGENT LIABILITIES CONTINUED

Impact

Both parties are seeking injunctions and damages in relation to the proceedings described on the previous page. As at the date of the issue of these financial statements, an estimate of the financial effect cannot be made.

Except as noted on the previous page, the Directors are unaware of the existence of any claim or other contingencies that would have a material impact on the operations of the Group.

6. FINANCIAL INSTRUMENTS

Financial instruments are either carried at amortised cost, less any provision for impairment, or fair value. The carrying value of all financial assets and liabilities approximates fair value.

There have been no changes to the Group's hedging policy during the period. The Group enters into foreign currency option contracts or forward foreign currency contracts within policy parameters to manage the net risk associated with anticipated sales or costs. The Group generally applies hedge accounting to all derivative financial instruments.

All derivative financial instruments continue to be re-measured to their fair value. Derivatives continue to be classified as being within Level 2 of the fair value hierarchy and there were no changes in valuation techniques during the period.

The following table lists the Group's current contractual foreign exchange contracts.

	Audited 31 March 2017 NZ\$M	Unaudited 30 September 2017 NZ\$M
Contractual amounts of derivative financial instruments were as follows:		
Foreign currency forward contracts and options		
Purchase commitments forward exchange contracts	60.5	54.6
Sale commitments forward exchange contracts	582.1	700.2
Foreign currency borrowing forward exchange contracts	3.7	3.9
Collar option contracts – NZD call option purchased (i)	193.0	142.1
Collar option contracts – NZD call option sold (i)	214.1	157.8
Interest rate derivatives		
Interest rate swaps	54.0	67.0
Interest rate options	21.0	21.0

(i) Foreign currency contractual amounts are equal.

	Foreign currency	
	Audited 31 March 2017 M	Unaudited 30 September 2017 M
Sales Commitments		
United States dollars	US\$309.0	US\$315.5
European Union euros	€110.3	€120.8
Australian dollars	A\$14.2	A\$21.6
British pounds	£18.0	£21.0
Canadian dollars	C\$13.0	C\$24.1
Japanese yen	¥3,190.0	¥3,155.0
Chinese yuan	¥46.0	¥61.1
Korean won	₩3,746.2	₩5,934.0
Swedish kronor	kr16.5	kr42.5
Danish krone	kr0.0	kr3.0
Purchase Commitments		
Mexican pesos	MEX\$815.5	MEX\$723.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

7. CAPITAL EXPENDITURE COMMITMENTS

	Audited 31 March 2017 NZ\$M	Unaudited 30 September 2017 NZ\$M
Capital expenditure commitments contracted for but not recognised as at the reporting date:		
Within one year	34.8	10.9
Between one and two years	2.1	1.5
	36.9	12.4

8. RELATED PARTY TRANSACTIONS

During the period the Group has not entered into any material contracts involving related parties or directors' interests. No amounts owed by related parties have been written off or forgiven during the period. Apart from directors' fees, key executive remuneration and dividends paid by the Group to its directors, there have been no related party transactions.

9. SEGMENT INFORMATION

The Group's operating segments consist of New Zealand, North America, Europe and Asia Pacific. The composition of these segments is unchanged from the audited consolidated financial statements for the year ended 31 March 2017. Performance is measured based on segment operating profit, as the chief operating decision-maker believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within this industry.

The Group's products and systems are for use in respiratory care, acute care and the treatment of obstructive sleep apnea and are sold in over 120 countries worldwide. Revenues are managed on a regional basis, but a split by product group is set out in Note 3.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

9. SEGMENT INFORMATION CONTINUED

Operating Segments

	New Zealand NZ\$M	North America NZ\$M	Europe NZ\$M	Asia-Pacific NZ\$M	Eliminations NZ\$M	Total NZ\$M
30 September 2016 (Unaudited)						
Sales revenue – external	29.4	199.5	117.1	68.3	-	414.3
Sales revenue – internal	317.0	-	-	-	(317.0)	-
Foreign exchange gain on hedged sales	10.9	-	-	-	-	10.9
Total operating revenue	357.3	199.5	117.1	68.3	(317.0)	425.2
Other income	2.5	-	-	-	-	2.5
Depreciation and amortisation	17.9	1.3	0.4	0.3	-	19.9
Segment operating profit before financing costs	113.8	2.5	0.6	3.5	(9.7)	110.7
Financing income	1.3	-	-	-	(1.2)	0.1
Financing expense	(1.8)	(1.2)	(0.3)	(0.1)	1.2	(2.2)
Exchange gain (loss) on foreign currency borrowings	2.7	-	(0.1)	-	-	2.6
Segment net profit before tax	116.0	1.3	0.2	3.4	(9.7)	111.2
Segment assets	768.4	134.2	110.1	57.9	(265.6)	805.0
Segment capital expenditure	26.2	3.6	0.1	0.6	-	30.5
30 September 2017 (Unaudited)						
Sales revenue – external	35.2	206.7	126.6	78.7	-	447.2
Sales revenue – internal	330.7	-	-	-	(330.7)	-
Foreign exchange gain on hedged sales	11.2	-	-	-	-	11.2
Total operating revenue	377.1	206.7	126.6	78.7	(330.7)	458.4
Other income	2.5	-	-	-	-	2.5
Depreciation and amortisation	20.4	2.2	0.4	0.5	-	23.5
Segment operating profit before financing costs	128.3	3.4	0.2	4.3	(21.2)	115.0
Financing income	2.2	-	-	-	(1.5)	0.7
Financing expense	(1.7)	(1.2)	(0.3)	(0.1)	1.5	(1.8)
Exchange gain on foreign currency borrowings	0.2	-	-	-	-	0.2
Segment net profit before tax	129.0	2.2	(0.1)	4.2	(21.2)	114.1
Segment assets	919.5	157.8	118.9	64.5	(326.9)	933.8
Segment capital expenditure	52.0	2.4	0.2	0.5	-	55.1

10. SUBSEQUENT EVENTS

On 20 November 2017 the directors approved the payment of a fully imputed 2018 interim dividend of \$49.9 million (8.75 cents per share) to be paid on 20 December 2017.



INDEPENDENT REVIEW REPORT

To the shareholders of Fisher & Paykel Healthcare Corporation Limited

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have reviewed the accompanying consolidated financial statements (“financial statements”) of Fisher & Paykel Healthcare Corporation Limited (“the Company”), and its controlled entities (“the Group”) on pages 20 to 28, which comprise the consolidated balance sheet as at 30 September 2017, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period ended on that date, and selected explanatory notes.

Directors’ responsibility for the financial statements

The Directors are responsible on behalf of the Group for the preparation and presentation of these financial statements in accordance with New Zealand Equivalent to International Accounting Standard 34 Interim Financial Reporting (NZ IAS 34) and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with the New Zealand Standard on Review Engagements 2410 *Review of Financial Statements Performed by the Independent Auditor of the Entity* (NZ SRE 2410). NZ SRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects, in accordance with NZ IAS 34. As the auditors of the Group, NZ SRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial statements.

A review of financial statements in accordance with NZ SRE 2410 is a limited assurance engagement. The auditor performs procedures, primarily consisting of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (New Zealand) and International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

We are independent of the Group. Our firm carries out other services for the Group in the areas of advisory, tax compliance, other assurance services and procedures for scrutineering the counting of votes at the Annual Shareholders’ Meeting. The provision of these other services has not impaired our independence.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements of the Group are not prepared, in all material respects, in accordance with NZ IAS 34.

Who we report to

This report is made solely to the Company’s shareholders. Our review work has been undertaken so that we might state to the Company’s shareholders those matters which we are required to state to them in our review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders for our review procedures, for this report, or for the conclusion we have formed.

For and on behalf of:

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', is written over a faint, larger version of the PwC logo.

Directory

DIRECTORS

Tony Carter	Chairman, Non-Executive, Independent
Lewis Gradon	Managing Director and Chief Executive Officer
Michael Daniell	Non-Executive
Pip Greenwood	Non-Executive, Independent
Geraldine McBride	Non-Executive, Independent
Arthur Morris	Non-Executive, Independent
Donal O'Dwyer	Non-Executive, Independent
Scott St John	Non-Executive, Independent

EXECUTIVE MANAGEMENT TEAM

Lewis Gradon	Managing Director and Chief Executive Officer
Paul Shearer	Senior Vice President – Sales & Marketing
Tony Barclay	Chief Financial Officer & Company Secretary
Debra Lumsden	Vice President Human Resources & Privacy Officer
Andrew Somervell	Vice President – Products & Technology
Brian Schultz	Vice President – Quality & Regulatory
Winston Fong	Vice President – Surgical Technologies
Jonti Rhodes	General Manager – Supply Chain
Nicholas Fourie	Vice President - Information & Communication Technology

REGISTERED OFFICES

New Zealand:

Physical address: 15 Maurice Paykel Place,
East Tamaki, Auckland 2013,
New Zealand
Telephone: +64 9 574 0100
Postal address: PO Box 14348, Panmure,
Auckland 1741, New Zealand
Website: www.fphcare.com
Email: investor@fphcare.co.nz

Australia:

Physical address: 19-31 King St, Nunawading,
Melbourne, Victoria 3131, Australia
Telephone: +61 3 9871 4900
Postal address: PO Box 159, Mitcham
Victoria 3132, Australia

STOCK EXCHANGES

The Company's ordinary shares are listed on the NZX Main Board and the ASX.

SHARE REGISTRAR

In New Zealand:

Link Market Services Limited

Physical address: Level 11, Deloitte Centre,
80 Queen Street,
Auckland 1010, New Zealand
Postal address: PO Box 91976,
Auckland 1142, New Zealand
Facsimile: +64 9 375 5990
Investor enquiries: +64 9 375 5998
Website: www.linkmarketservices.co.nz
Email: enquiries@linkmarketservices.co.nz

In Australia:

Link Market Services Limited

Physical address: Level 12, 680 George Street,
Sydney, NSW 2000, Australia
Postal address: Locked Bag A14, Sydney South,
NSW 1235, Australia
Facsimile: +61 2 9287 0303
Investor enquiries: +61 2 8280 7111
Internet address: www.linkmarketservices.com.au
Email: registrars@linkmarketservices.com.au

Fisher & Paykel Healthcare is a world leader in medical devices and systems for use in respiratory care, acute care, surgery and in the treatment of obstructive sleep apnea.



Half Year Results Presentation FY2018
Sustainable Profitable Growth

H1 FY2018 Business Highlights

+ CONTINUED

WITH THE ROLL OUT OF OUR NEW ENTERPRISE RESOURCE PLANNING SYSTEM IN JAPAN, CHINA, TAIWAN AND HONG KONG

+ INCLUDED

IN THE MSCI STANDARD INDICES* AND DOW JONES SUSTAINABILITY INDICES

+ LAUNCHED

OUR NEW PRODUCTS, SLEEPSTYLE AND OPTIFLOW JUNIOR 2 IN AUSTRALASIA

+ ENCOURAGED

BY THE PUBLICATION OF A FURTHER 69 NASAL HIGH FLOW CLINICAL PAPERS DURING THE FIRST HALF

+ BEGAN

PREPARATION FOR CONSTRUCTION OF OUR NEW FACILITIES IN NEW ZEALAND AND MEXICO

+ AWARDED

NZ BEST DESIGN AWARDS FOR OUR OPTIFLOW JUNIOR 2, BREVIDA, ESON 2 AND SLEEPSTYLE PRODUCTS

Hospital Product Group

H1 FY2018

57%

OF OPERATING REVENUE

HOSPITAL OPERATING REVENUE

NZ\$262.5M

↑11%

CONSTANT CURRENCY

↑12%

NEW APPLICATIONS*
CONSUMABLES REVENUE

NZ\$

↑18%

CONSTANT CURRENCY

↑19%



Respiratory humidification and support



F&P 950™ System



F&P 850™ System



F&P AIRVO™ 2



Surgical technologies



F&P HumiGard™

- New applications consumables* make up 55% of Hospital consumables revenue
- Strong customer demand for our Optiflow and AIRVO systems
- Further positive clinical trial results for Optiflow nasal high flow therapy

Homecare Product Group

H1 FY2018

42%

OF OPERATING REVENUE

HOMECARE OPERATING REVENUE

NZ\$191.3M

↑ 4%

CONSTANT CURRENCY

↑ 5%

MASKS REVENUE

NZ\$

↑ 8%

CONSTANT CURRENCY

↑ 8%



CPAP therapy / Obstructive Sleep Apnea (OSA)



F&P Simplus™



F&P Eson™ 2



F&P Brevida™



F&P SleepStyle™



Home respiratory support



F&P AIRVO™ 2



F&P 810™ System



F&P Optiflow™+

First Half Financial Highlights

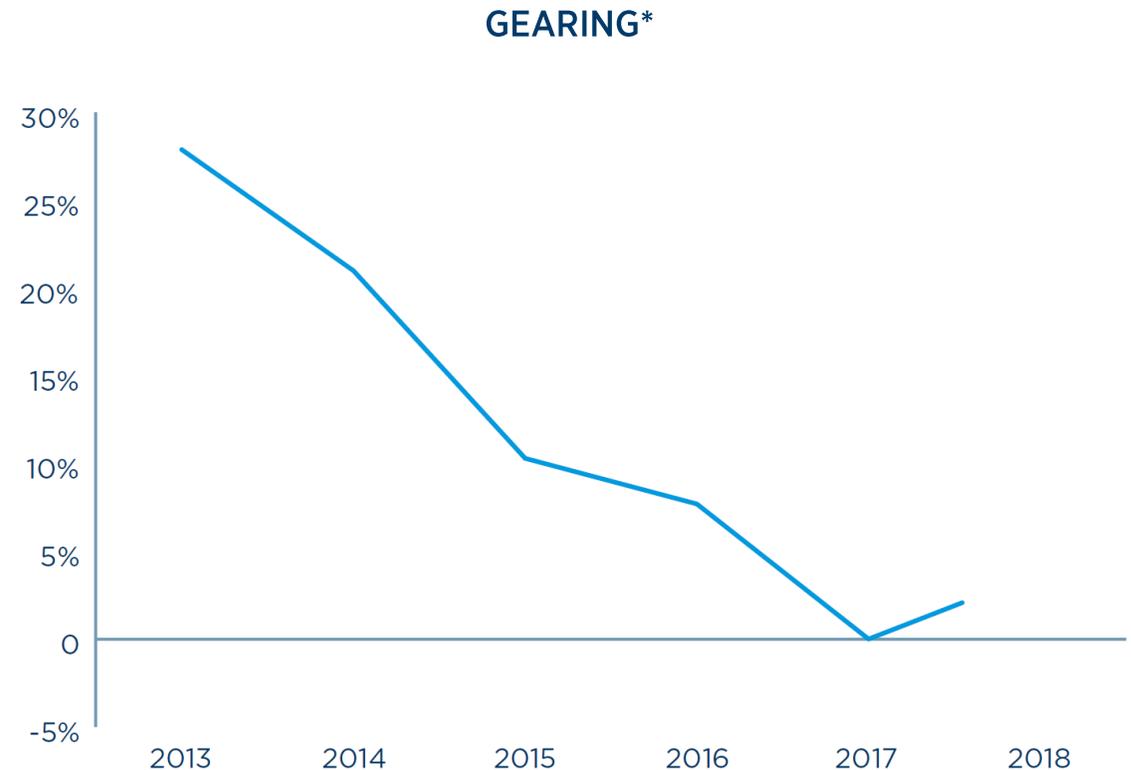
H1 FY2018 (6 months to 30 September 2017)

	NZ\$M	ΔPCP [^]	ΔCC [*]
Record operating revenue	458.4	+8%	+8%
Record Hospital operating revenue	262.5	+11%	+12%
Record Homecare operating revenue	191.3	+4%	+5%
Hospital new applications consumables revenue		+18%	+19%
OSA masks revenue		+8%	+8%
Gross margin (bps increase)		+116bps	+47bps
Record net profit after tax	81.3	+4%	+2%

Recurring items, consumables and accessories
approximately 87% of operating revenue (H1 FY17: 86%)

Dividend and Gearing

- Increased interim dividend by 6%:
 - 8.75 cps + 3.4028 cps imputation credit for NZ residents (gross dividend of NZ 12.1528 cps)
 - Fully imputed
 - 1.5441 cps non-resident supplementary dividend
 - Dividend reinvestment plan available for New Zealand and Australian residents. No discount will apply
- Target gearing ratio* of +5% to -5% debt to debt plus equity
 - Gearing ratio at 30 September 2017 was 3.8%



Outlook FY2018

Expect at current exchange rates (of NZD:USD 0.685, NZD:EUR 0.59) for the balance of the financial year:

- Operating revenue – approaching NZ\$1 billion
- Net profit after tax – approximately NZ\$185 – NZ\$190 million

Hospital



Fisher & Paykel Healthcare at a Glance

Global leader in respiratory humidification devices

- Medical device manufacturer with leading positions in respiratory care and obstructive sleep apnea
- 45+ years' experience in changing clinical practice to solutions that provide better clinical outcomes and improve effectiveness of care
- Estimated US\$6+ billion and growing market opportunity driven by demographics
- Significant organic long-term growth opportunities in respiratory care, OSA, COPD and surgery
- Large proportion (87%) of revenue from recurring items, consumables and accessories
- High level of innovation and investment in R&D with strong product pipeline
- High barriers to entry

Global presence



Strong financial performance

- Continued target, and history of, doubling our revenue (in constant currency terms) every 5 to 6 years
- Targeting gross margin of 65% and operating margin of 30%
- Growth company with targeted dividend pay-out ratio of approximately 70% of net profit after tax

Consistent growth strategy

~US\$6+ Billion and Growing Market Opportunity

HOSPITAL

Invasive Ventilation



Hospital Respiratory Support



Noninvasive Ventilation



Surgical Humidification



HEMOCARE

Home Respiratory Support



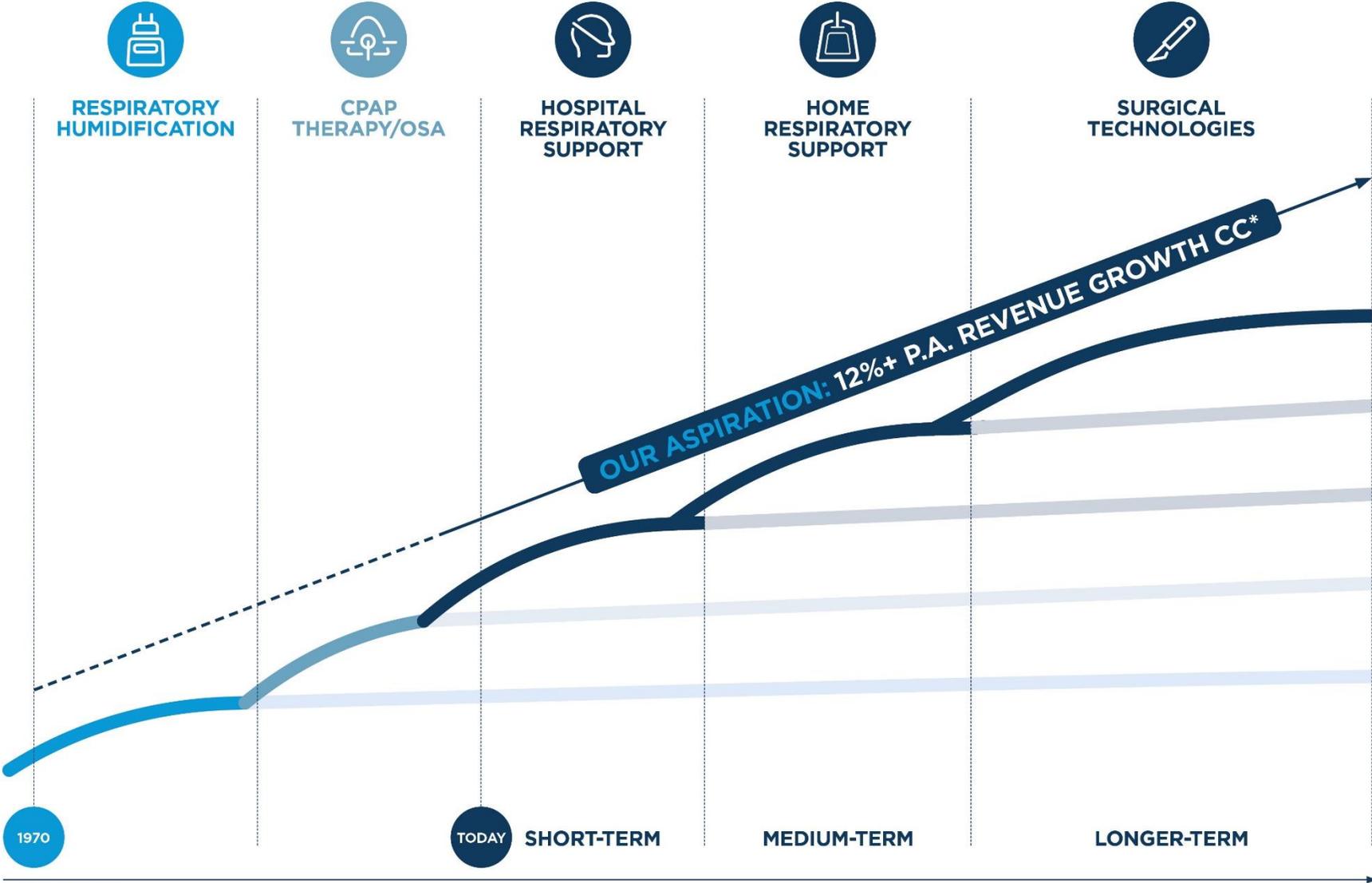
CPAP Therapy



“NEW APPLICATIONS”

Applications outside of invasive ventilation

Our Aspiration



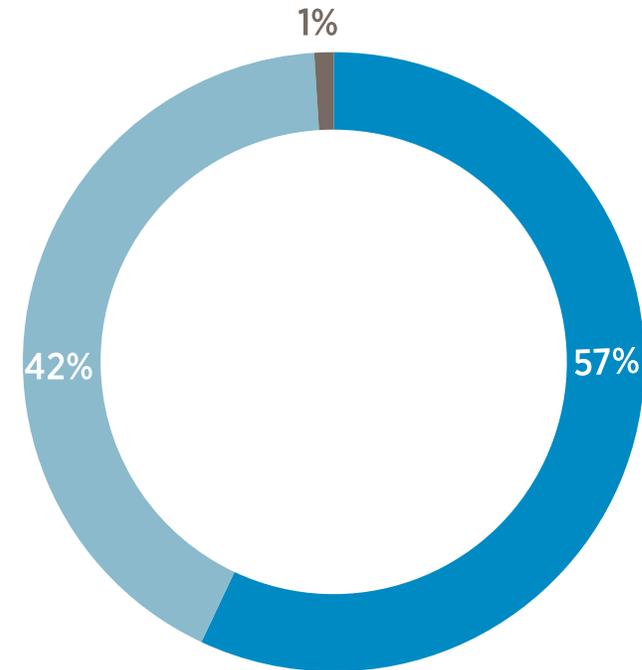
OUR ASPIRATION:
Sustainably
DOUBLING
our constant
currency revenue
every 5-6 years.

Markets & Products

- Hospital
 - Heated humidification
 - Respiratory care
 - Neonatal care
 - Surgery
- Homecare
 - Masks
 - Flow generators
 - Data management tools
 - Respiratory care in the home

Recurring items, consumables and accessories approximately 87% of operating revenue (H1 FY17: 86%)

REVENUE BY PRODUCT GROUP
6 MONTHS TO 30 SEPTEMBER 2017



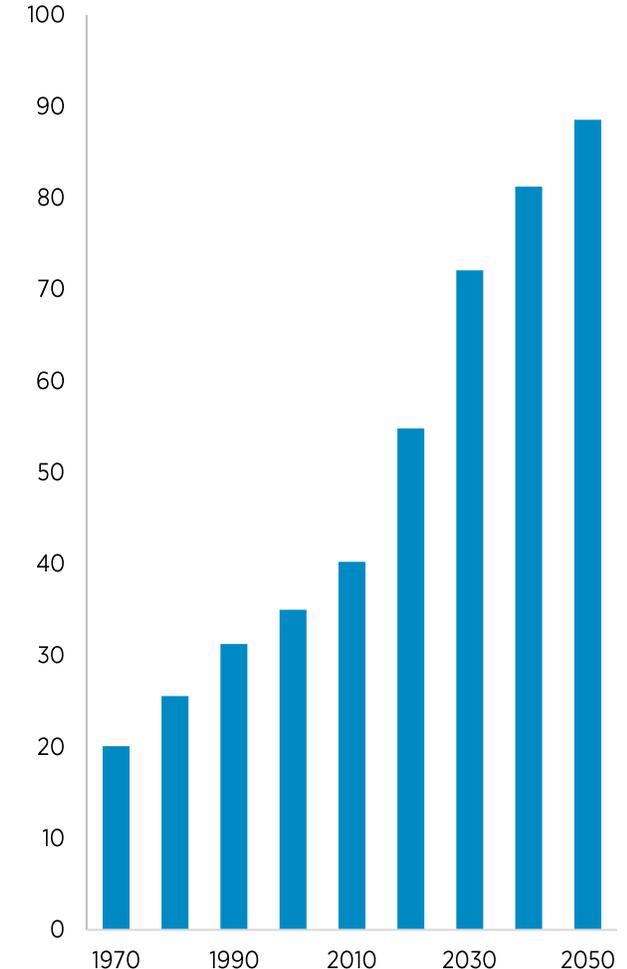
- Hospital
- Homecare
- Distributed & Other

Impact of Changing Demographics

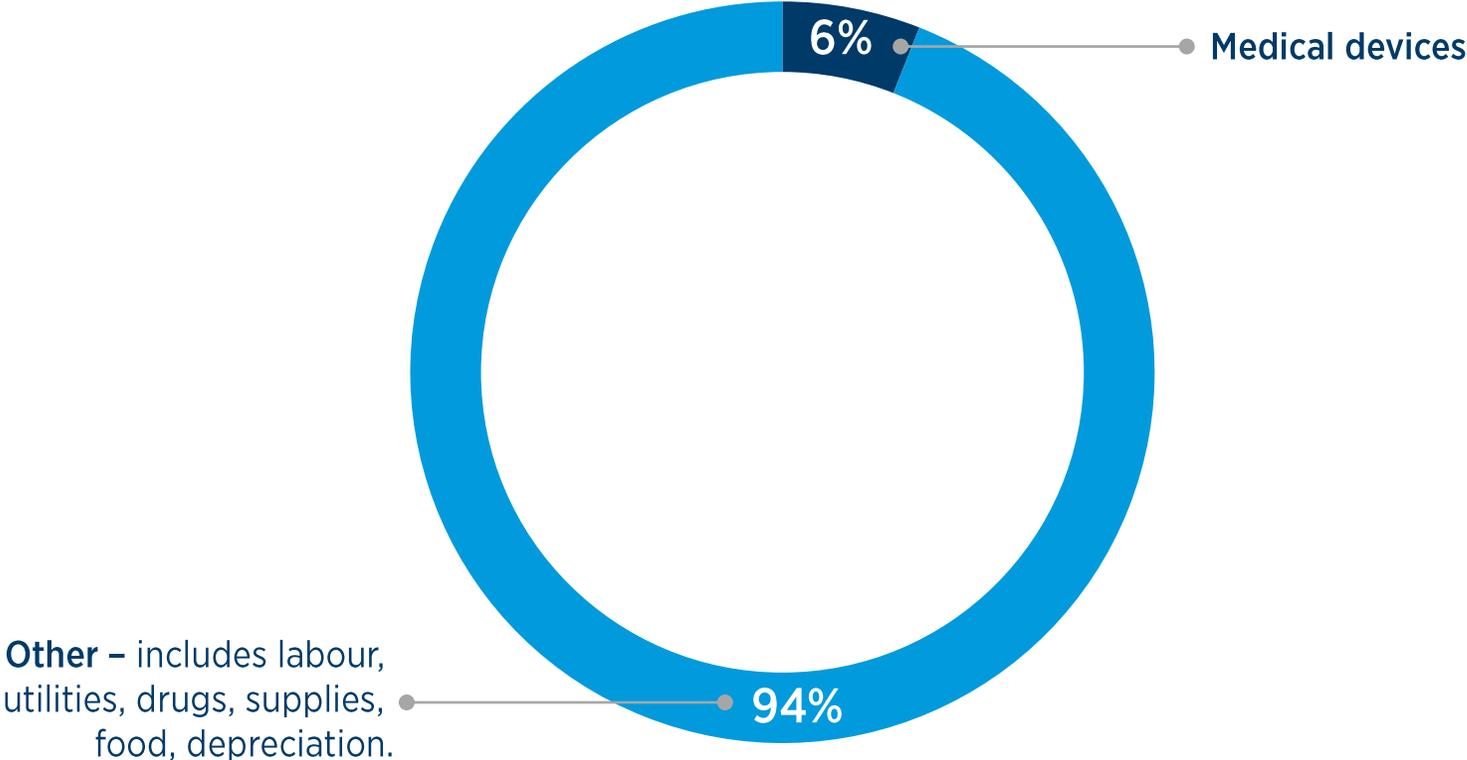
- Population age and weight both increasing
 - US population 65 years+ to grow ~80% over next 20 years¹
 - US males 60 - 74 years, average weight increased 0.4 kg/year since 1960²
- 60% of US healthcare cost is after age 65 years³
- Developing markets increasing healthcare spending
 - China healthcare expenditure projected to grow at 12% per year between 2014-2018⁴



US POPULATION OVER AGE 65
(MILLIONS)

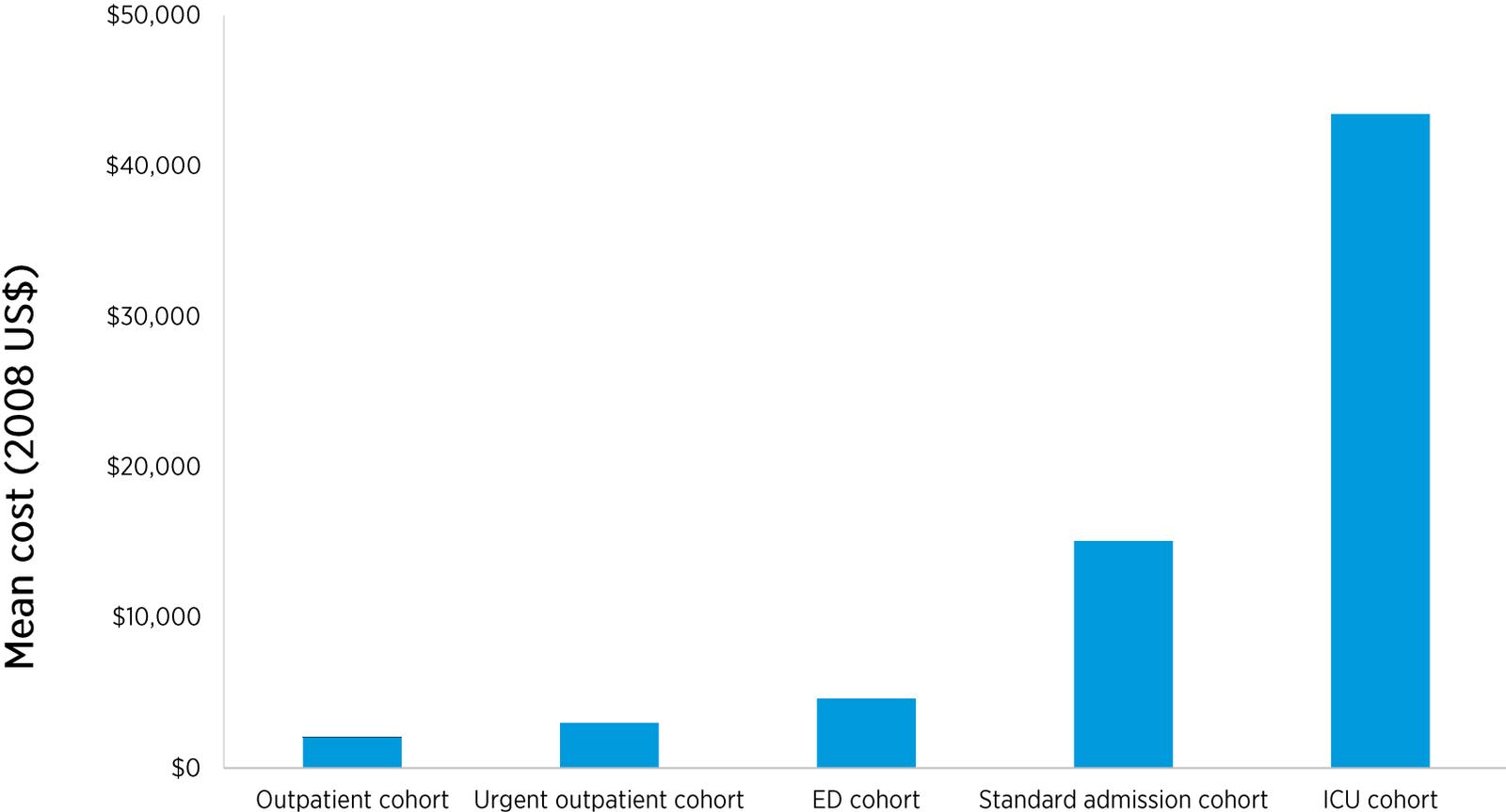


Hospital Cost Breakdown



Lower Care Intensity = Lower Cost

MEAN ANNUAL COPD-RELATED MEDICAL, PHARMACY AND TOTAL COSTS BY CARE INTENSITY COHORT



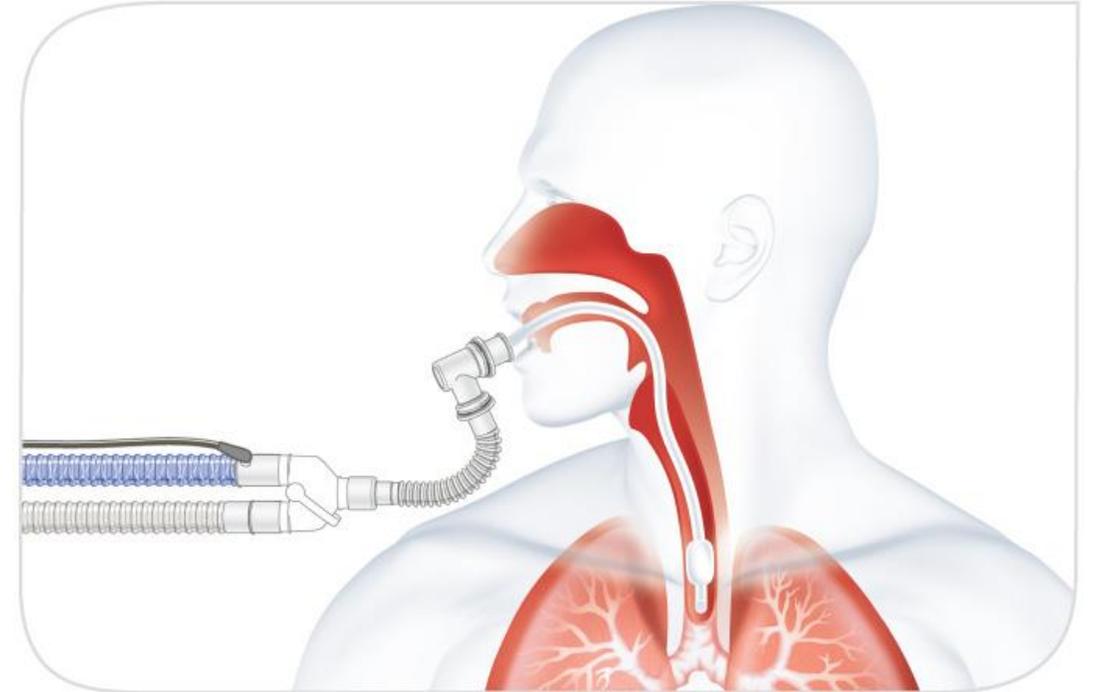


Hospital



Respiratory Humidification

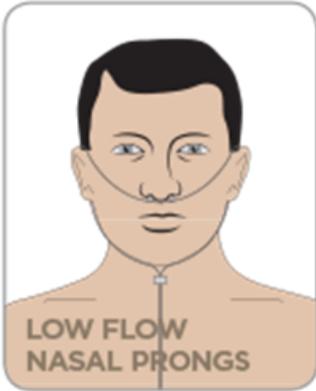
- Normal airway humidification is bypassed or compromised during ventilation or oxygen therapy
- Mucociliary transport system operates less effectively
- Need to deliver gas at physiologically normal levels
 - 37°C body core temperature
 - 44mg/L 100% saturated



Optiflow - Displacing Conventional Oxygen Therapy

CONVENTIONAL
OXYGEN THERAPY

NONINVASIVE
VENTILATION



Clinical Outcomes of Optiflow Nasal High Flow Therapy

Optiflow NHF therapy is associated with:

ADULTS:

- REDUCED intubation⁵
- REDUCED re-intubation^{6, 7, 8}
- REDUCED bilevel ventilation⁷
- REDUCED nursing workload⁷
- INCREASED ventilator free days⁵
- IMPROVED comfort & patient tolerance⁶
- IMPROVED compliance⁶

PAEDIATRICS:

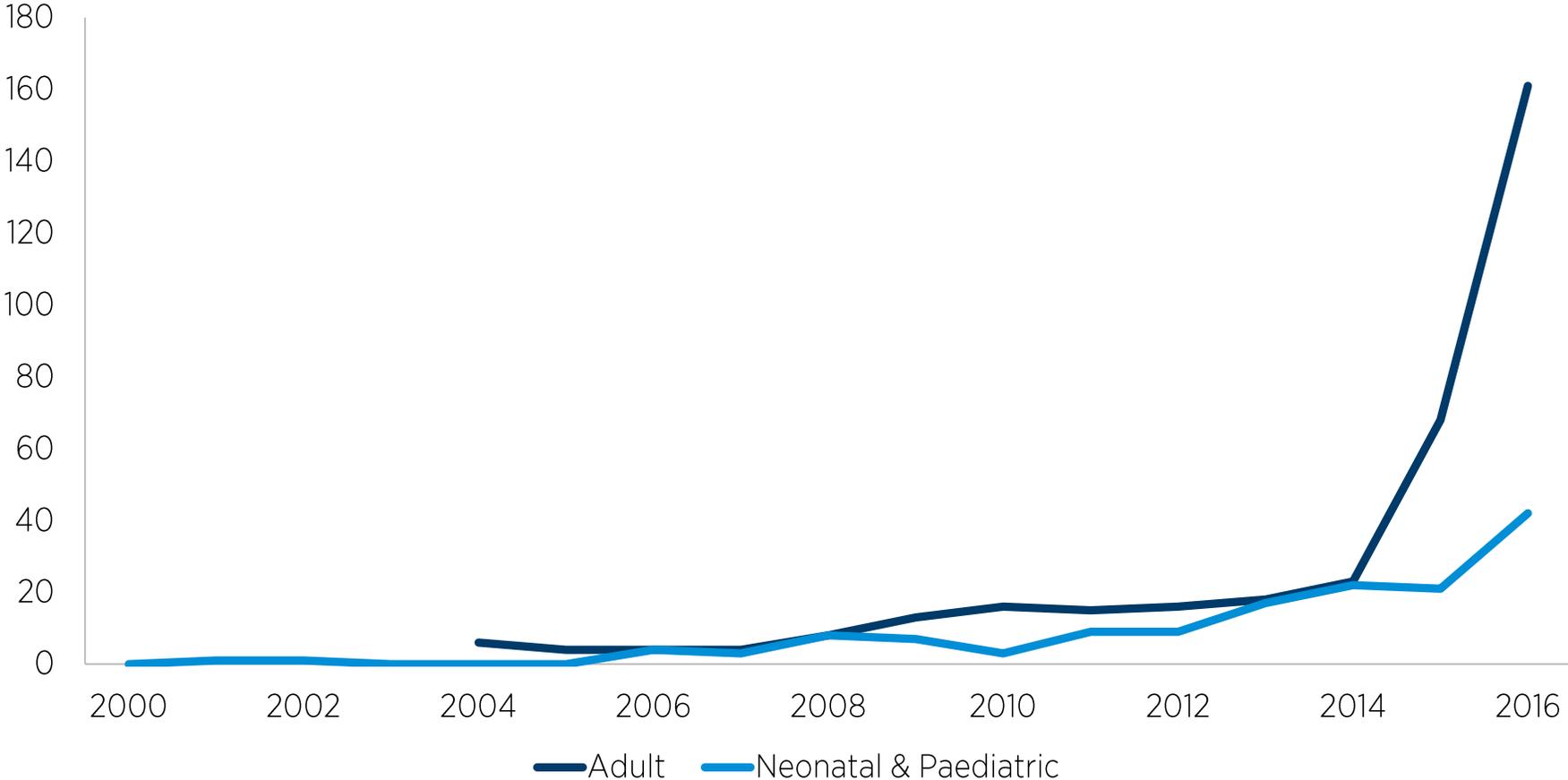
- REDUCED intubation⁹
- REDUCED length of stay¹⁰
- REDUCED respiratory distress¹¹

NEONATES:

- NONINFERIORITY with nasal CPAP¹²
- REDUCED nasal trauma^{13, 14}
- REDUCED respiratory distress¹⁵

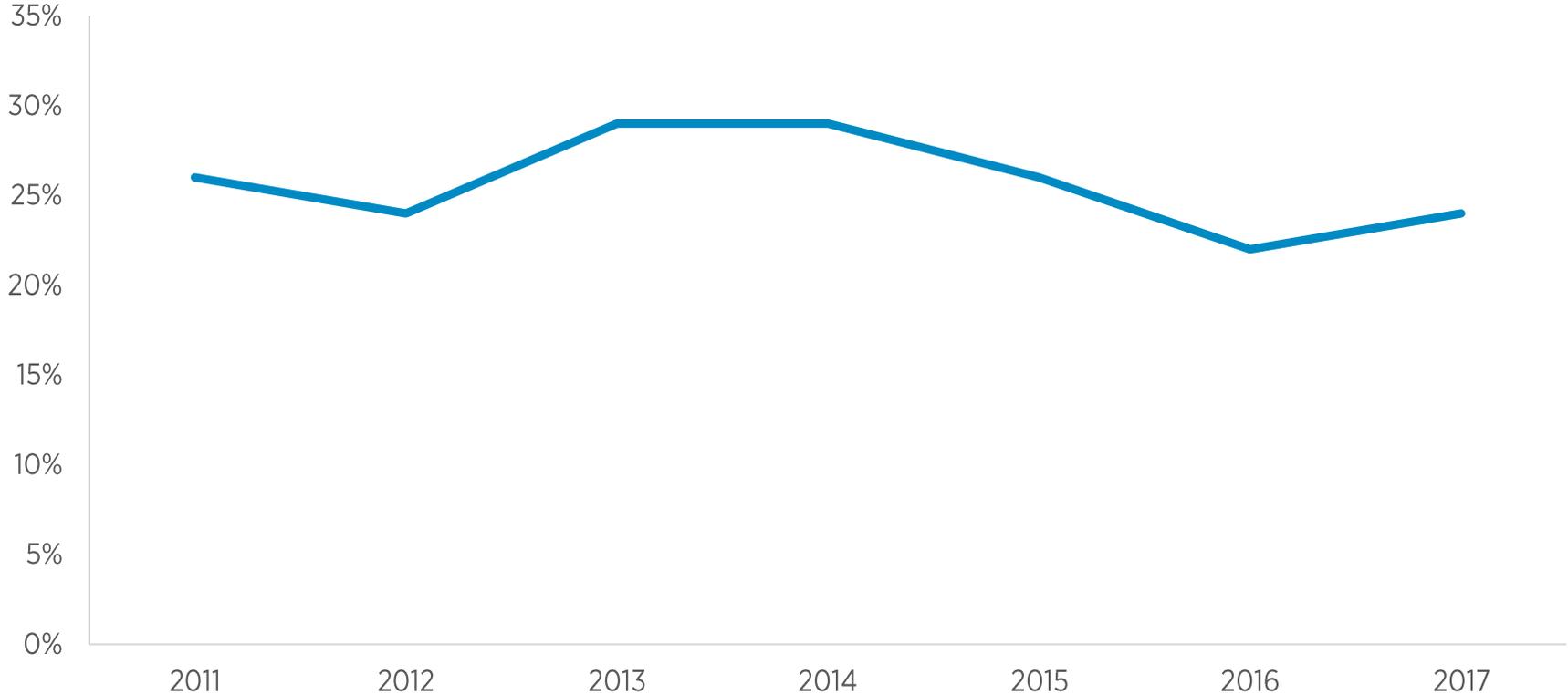
Optiflow NHF - A Growing Body of Clinical Evidence

NASAL HIGH FLOW CLINICAL PAPERS PUBLISHED ANNUALLY



Consistently Strong Growth in Hospital New Applications

CONSTANT CURRENCY REVENUE GROWTH RATE
IN NEW APPLICATIONS CONSUMABLES*



- New applications consumables now make up 55% of Hospital consumables revenue, up from 51% in FY2016 and 52% in FY2017

「 Homecare 」



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\$3+ billion worldwide market.
- Estimate >50 million people affected in developed countries
- Most common treatment is CPAP (Continuous Positive Airway Pressure)
 - Key issue with CPAP is compliance
 - Humidification provides significant acceptance and compliance improvements



Revolutionary Masks

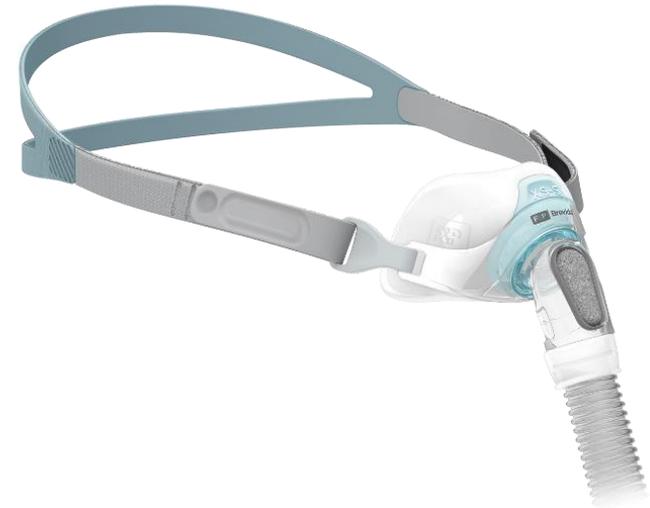
- Market leading mask technology
- Unique, patented designs
- Mask Matters Most
 - Masks are key to compliance



F&P ESON 2™



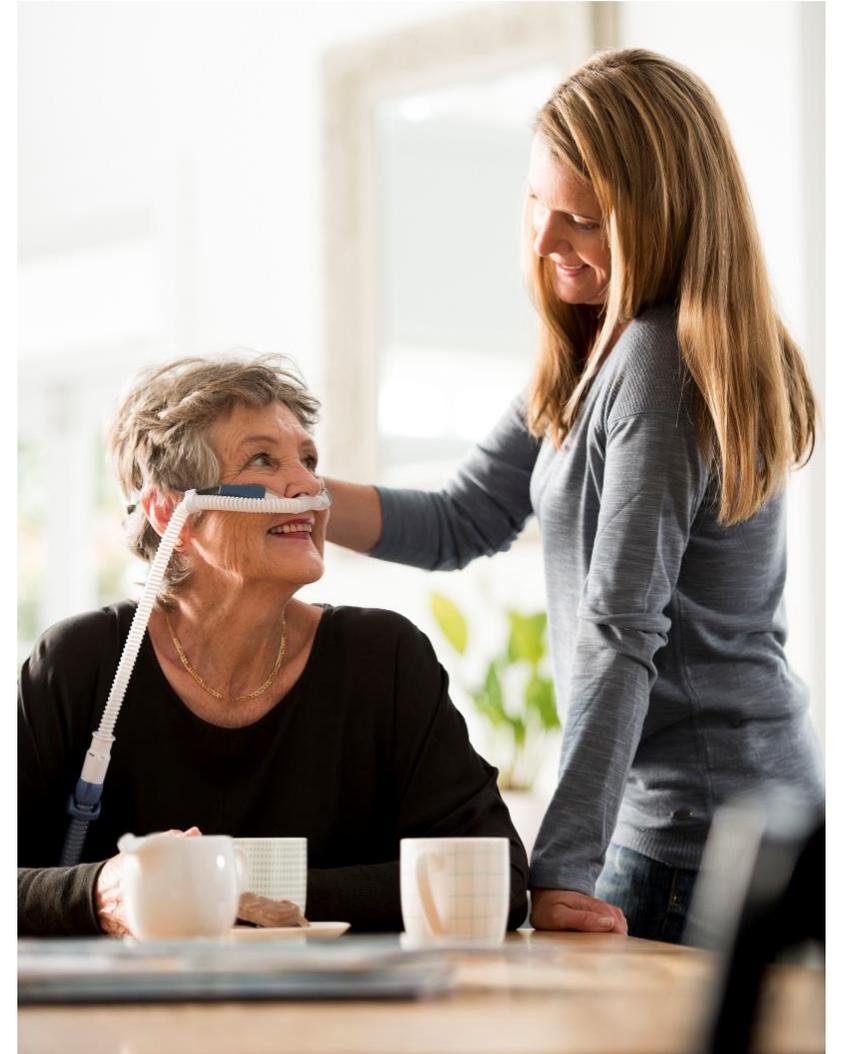
F&P SIMPLUS™



F&P BREVIDA™

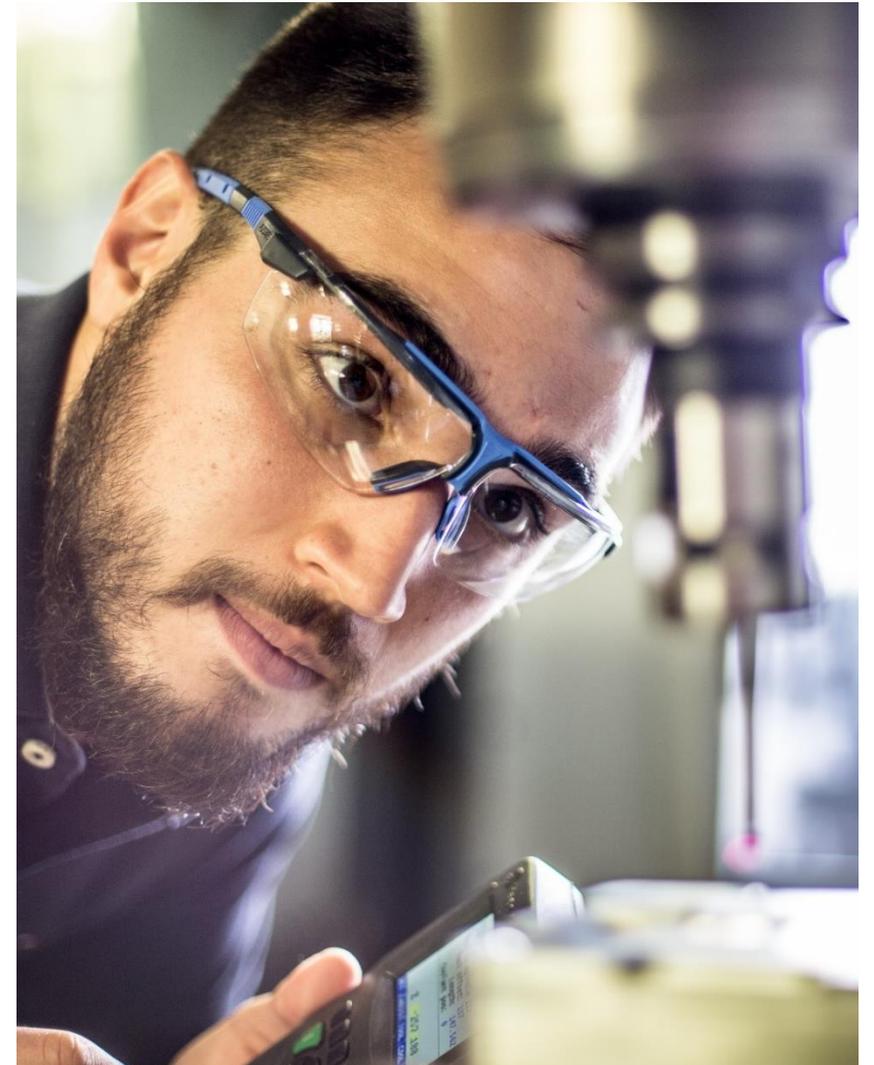
Home Respiratory Support

- Chronic obstructive pulmonary disease (COPD) is a lung disease which is commonly associated with smoking
- Emphysema and chronic bronchitis are both forms of COPD
- Chronic respiratory disease, primarily COPD, is the third leading cause of death in the US¹⁶
- 6% of US adults have been diagnosed with COPD¹⁷ (~15 million people)
- 4-10% COPD prevalence worldwide¹⁸ (~400 million people)



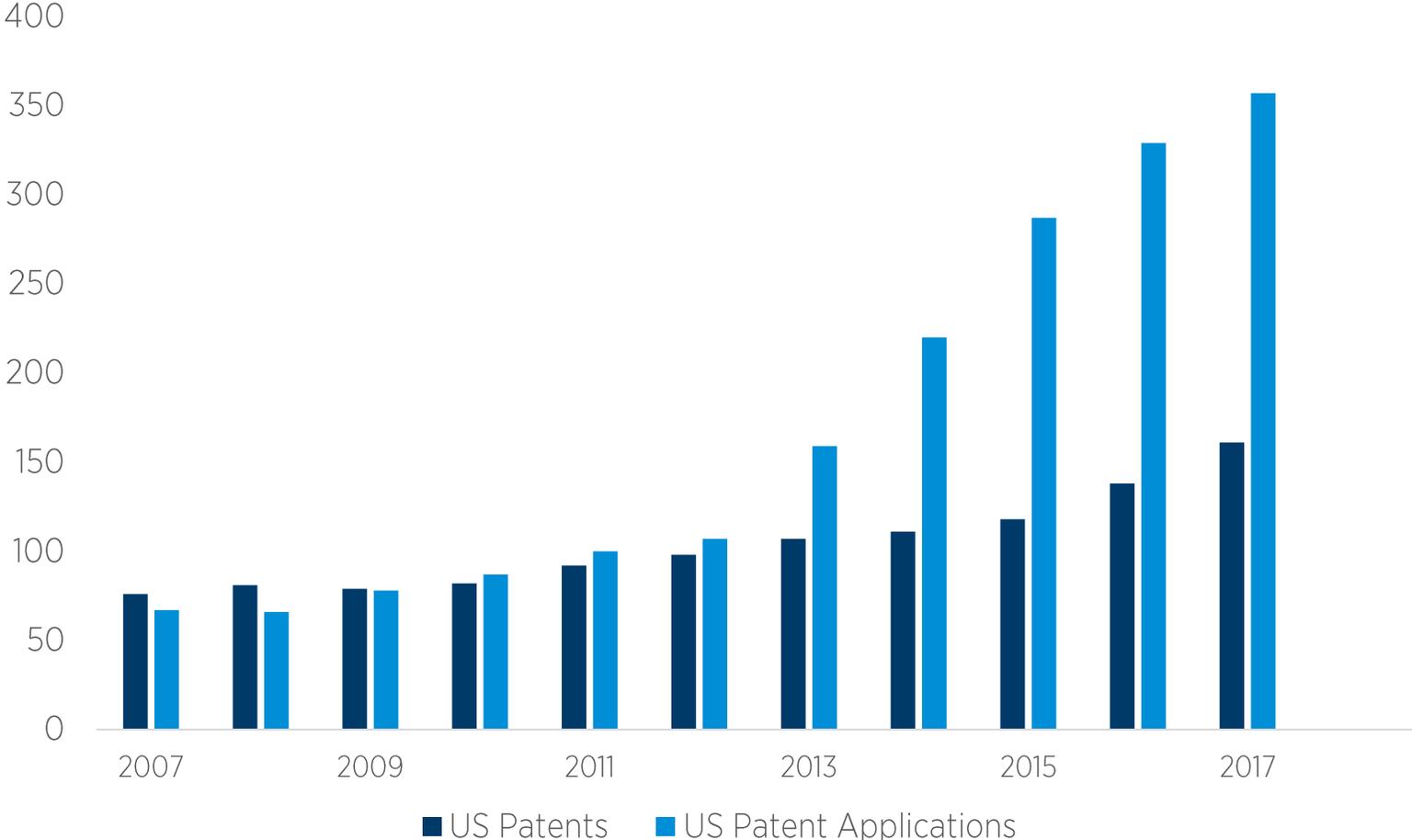
High Level of Innovation and Investment in R&D

- R&D represents 10% of operating revenue: * NZ\$47M
- Product pipeline includes:
 - Humidifier controllers
 - Masks
 - Respiratory consumables
 - Flow generators
 - Compliance monitoring solutions
- 168 US patents, 357 US pending, 771 ROW, 809 ROW pending[†]



Growing Patent Portfolio

FISHER & PAYKEL HEALTHCARE US PATENT PORTFOLIO (2007 – 2017)



Average remaining life of FPH patent portfolio: 12 years*

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 / 40 hectares land
- Fourth building underway

Tijuana, Mexico

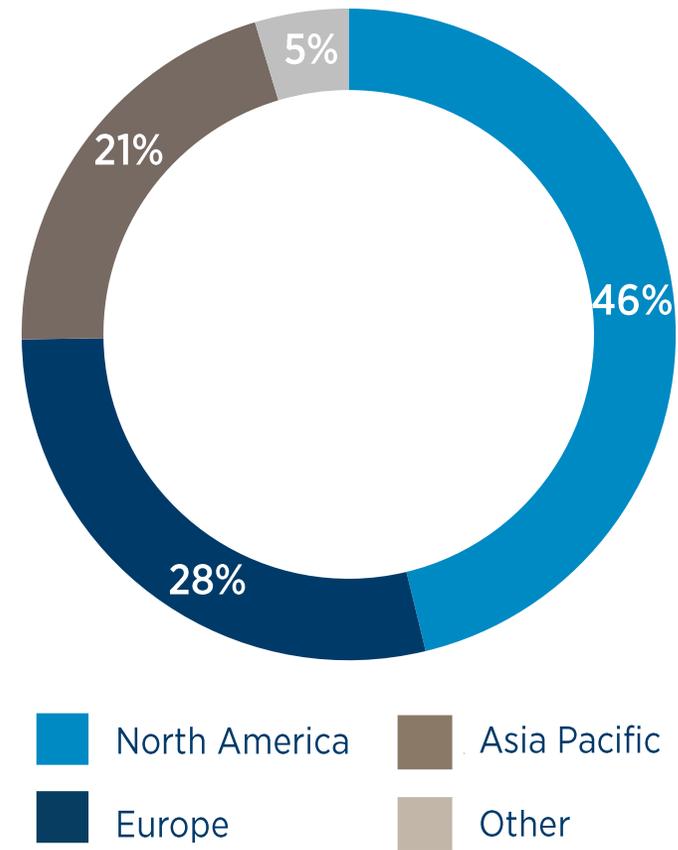
- 18,000 m² / 200,000 ft²
- Consumables capacity ramping up
- Purchased new 15 hectare site



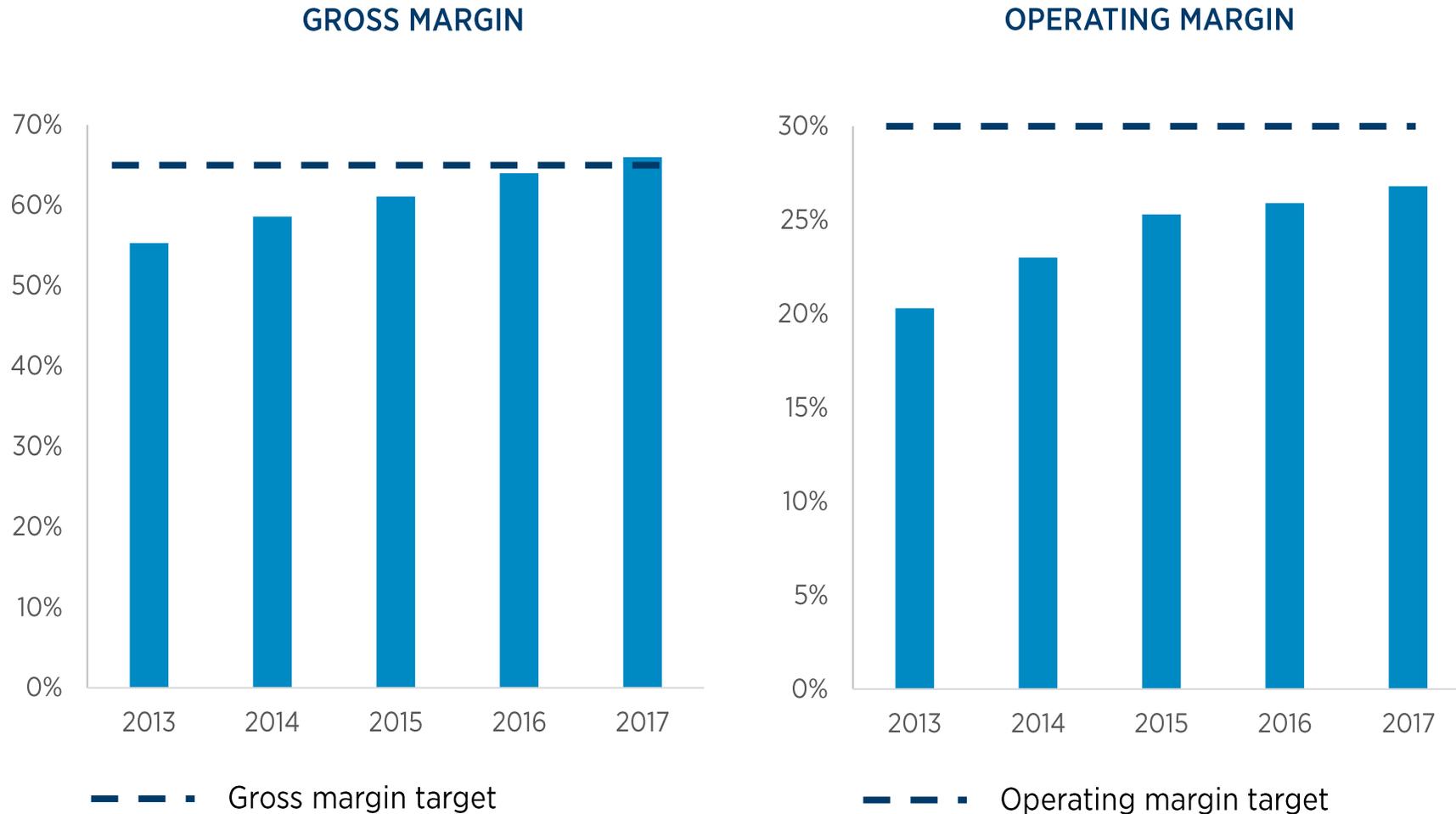
Strong Global Presence

- 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 800 staff in 29 countries
 - Ongoing international expansion
- Distributors
 - 100+ distributors worldwide
- Original Equipment Manufacturers
 - Supply most leading ventilator manufacturers
- Sell in more than 120 countries in total

REVENUE BY REGION
6 MONTHS TO 30 SEPTEMBER 2017



Long Term Margin Targets

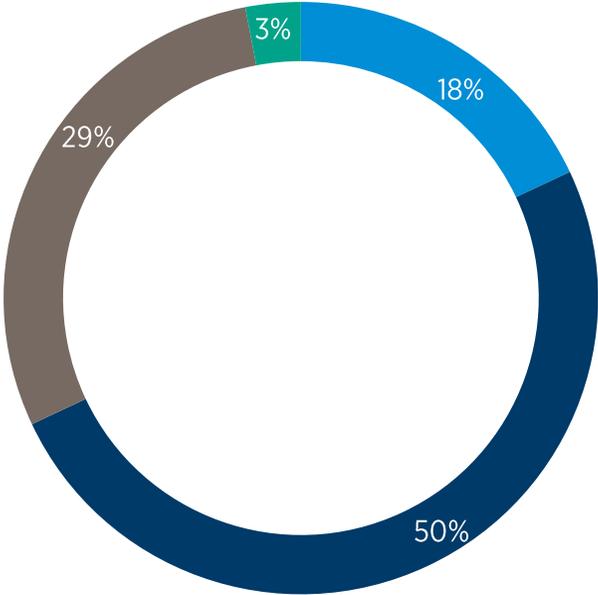


- We expect to see gross margin expansion in FY18 in the range of 50 - 100 bps

Ownership Structure and Listings

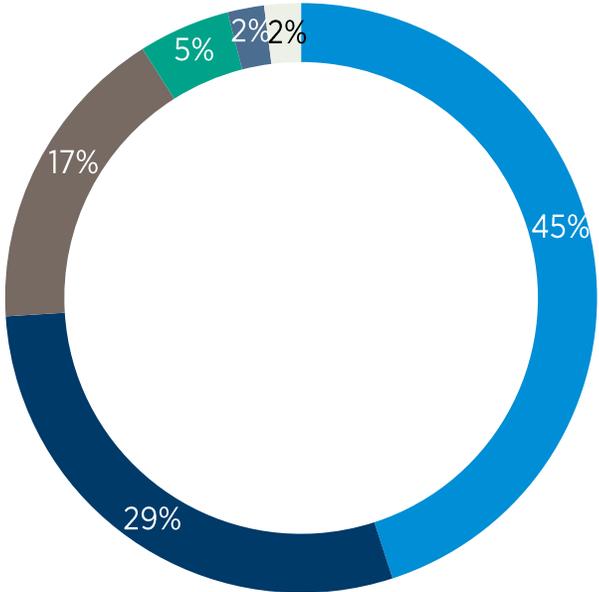
- Listed on NZX and ASX (NZX.FPH, ASX.FPH)

SHAREHOLDING STRUCTURE AS AT 30 SEPTEMBER 2017



- NZ Institutions
- Other Institutions
- Brokers & Retail
- Other

GEOGRAPHICAL OWNERSHIP AS AT 30 SEPTEMBER 2017

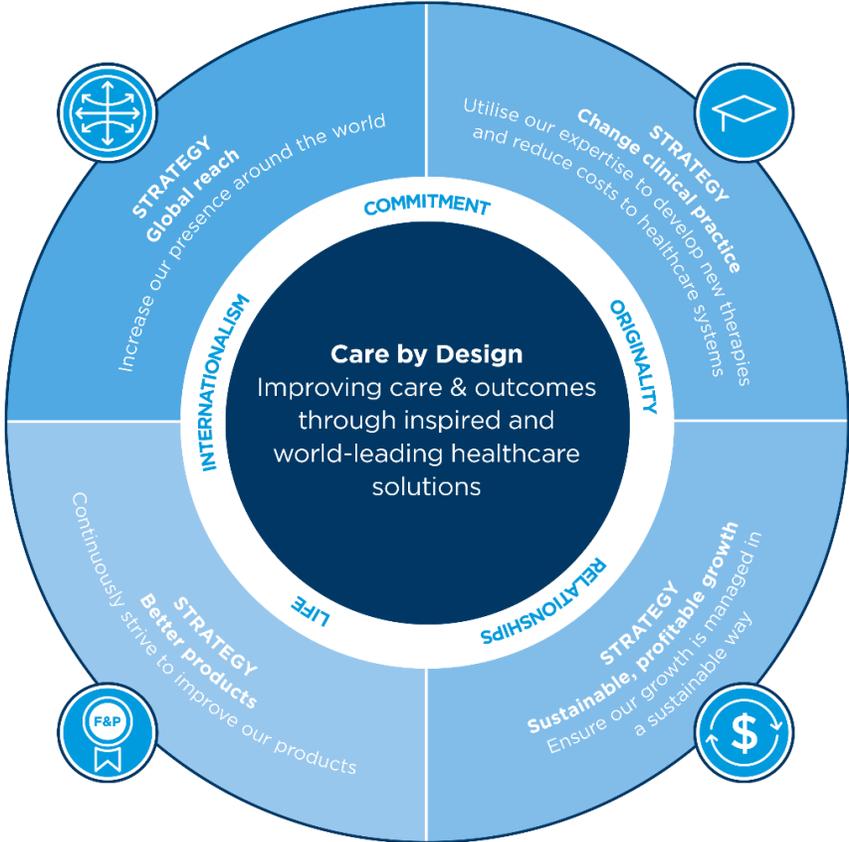


- New Zealand
- Australia
- North America
- UK
- Europe (ex UK)
- Asia

Consistent Growth Strategy

Our inputs

- Our 4000+ people
- Over 45 years of trusted relationships
- Excellence in R&D
- Global supply networks
- Trusted brand



Our outputs

- Increased efficiency of care
- Improved care & outcomes for patients
- Increased shareholder value
- Benefits to our people
- Doubling our constant currency revenue every 5-6 years

MARKET CONTEXT

AGEING POPULATION | TECHNOLOGY ADVANCEMENT | HEALTHCARE COSTS INCREASING | OTHER EXTERNAL FACTORS



Financials

Half Year Operating Results

H1 FY2018 (6 months to 30 September 2017)

	% of Revenue	NZ\$M	ΔPCP [^]	ΔCC [*]
Operating revenue	100%	458.4	+8%	+8%
Cost of sales	34.0%	155.7	+4%	+7%
Gross profit	66.0%	302.7	+10%	+9%
Other income (R&D grant)		2.5	0%	0%
SG&A	31.3%	143.3	+14%	+14%
R&D	10.2%	46.9	+13%	+13%
Total operating expenses	41.5%	190.2	+13%	+14%
Operating profit	25.1%	115.0	+4%	+1%
Profit after tax	17.7%	81.3	+4%	+2%

Cash Flow & Balance Sheet

H1 FY2018 (for the 6 months ended 30 September 2017)	NZ\$M
Operating cash flow (+8%)	82.2
Capital expenditure	51.6
Depreciation and amortisation	23.5

H1 FY2018 (as at 30 September 2017)	NZ\$M
Debt (net)	26.4
Total equity	687.2
Total assets	933.8

	%
Pre-tax return on average equity	34%
Pre-tax return on average total assets	25%
Gearing (debt/debt + equity)	3.8%

Foreign Exchange Effects

- 51% of operating revenue in USD (1H FY17: 52%) and 20% in €.

	Six months to 31 March		Year to 31 March			
	2018	2019	2020	2021	2022	2023
Hedging position for our main exposures						
USD % cover of expected exposure	90%	70%	55%	20%	0%	0%
USD average rate of cover	0.678	0.673	0.658	0.627	NA	NA
EUR % cover of expected exposure	90%	70%	40%	20%	20%	20%
EUR average rate of cover	0.594	0.616	0.581	0.539	0.522	0.509

Hedging cover percentages have been rounded to the nearest 5%

	Six months ended 30 September	
	2016 NZ\$M	2017 NZ\$M
Reconciliation of Constant Currency to Actual Income Statements		
Profit before tax (constant currency)	102.8	105.4
Spot exchange rate effect	3.5	(1.8)
Foreign exchange hedging result	9.7	10.4
Balance sheet revaluation	(4.8)	0.1
Profit before tax (as reported)	111.2	114.1

Important Notice and References

Disclaimer

The information in this presentation is for general purposes only and should be read in conjunction with Fisher & Paykel Healthcare Corporation Limited's (FPH) 2018 Interim Report and accompanying market releases. Nothing in this presentation should be construed as an invitation for subscription, purchase or recommendation of securities in FPH.

This presentation includes forward-looking statements about the financial condition, operations and performance of FPH and its subsidiaries. These statements are based on current expectations and assumptions regarding FPH's business and performance, the economy and other circumstances. As with any projection or forecast, the forward-looking statements in this presentation are inherently uncertain and susceptible to changes in circumstances. FPH's actual results may differ materially from those expressed or implied by those forward-looking statements.

References

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3. Berhanu Alemayehu, Kenneth E Warner. The Lifetime Distribution of Health Care Costs. Health Serv Res. 2004 June; 39(3): 627-642
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7. Stéphan F, Barrucand B, Petit P et al. High-Flow Nasal Oxygen vs Noninvasive Positive Airway Pressure in Hypoxemic Patients After Cardiothoracic Surgery: A Randomized Clinical Trial. *JAMA*. 2015;313(23):2331-9
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9. Wing R, James C, Maranda LS et al. Use of high-flow nasal cannula support in the emergency department reduces the need for intubation in pediatric acute respiratory insufficiency. *Pediatr Emerg Care*. 2012;28(11):1117-23
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11. Milési C, Baleine J, Matecki S et al. Is treatment with a high flow nasal cannula effective in acute viral bronchiolitis? A physiologic study. *Intensive Care Med*. 2013 Jun;39(6):1088-94
12. Manley BJ, Owen LS, Doyle LW et al. High-flow nasal cannulae in very preterm infants after extubation. *N Engl J Med*. 2013;369(15):1425-33
13. Yoder BA, Stoddard RA, Li M, King J et al. Heated, humidified high-flow nasal cannula versus nasal CPAP for respiratory support in neonates. *Pediatrics*. 2013;131(5):e1482-90
14. Collins CL, Holberton JR, Barfield C, Davis PG. A randomized controlled trial to compare heated humidified high-flow nasal cannulae with nasal continuous positive airway pressure postextubation in premature infants. *J Pediatr*. 2013;162(5):949-54
15. Saslow JG, Aghai ZH, Nakhla TA et al. Work of breathing using high-flow nasal cannula in preterm infants. *J Perinatol*. 2006;26(8):476-80
16. Hoyert DL, Xu JQ. Deaths: preliminary data for 2011. *Natl Vital Stat Rep*. 2012;61(6):1-65. Hyattsville, MD: National Center for Health Statistics. 2012.
17. Nicole M Kosacz, Antonello Punturieri et al. Chronic Obstructive Pulmonary Disease Among Adults -United States 2011. US Centers for Disease Control and Prevention, 2012.
18. R J Halbert, Sharon Isonaka, Dorothy George, Ahmar Iqbal. Interpreting COPD Prevalence Estimates. *Chest*. 2003; 123:5 1684 - 1692.

NZX Appendix 1 Information

Results for announcement to the market

HALF YEAR REPORTING

Reporting Period	6 months to 30 September 2017
Previous Reporting Period	6 months to 30 September 2016

EARNINGS

	Amount (NZ\$M)	Percentage change
Operating revenue from ordinary activities	\$458.4	8%
Earnings before interest and tax	\$115.0	4%
Net profit attributable to shareholders	\$81.3	4%

DIVIDENDS

	Amount per share NZ cents	Imputed amount per share* NZ cents	Gross amount per share* NZ cents
Interim Dividend	8.75 cents	3.4028 cents	12.1528 cents

* NZ resident shareholders

Record Date	6 December 2017
Dividend Payment Date	20 December 2017

The company operates a dividend reinvestment plan for New Zealand and Australian resident shareholders. For the Interim Dividend no discount will be applied. Participation notices must be received on or before the first business day after the Record Date to be eligible to participate in entitlements under the plan. A copy of the plan offer document is available at www.fphcare.com/drp.

FINANCIAL INFORMATION AND COMMENTARY

For commentary on the results please refer to the news release and financial commentary section of the company's 2018 Interim Report. This appendix should be read in conjunction with the company's financial statements for the 6 months ended 30 September 2017, contained in the company's 2018 Interim Report, and the company's most recent audited financial statements.

NET TANGIBLE ASSETS PER SECURITY

	30 September 2016	30 September 2017
Net tangible assets per security	NZ\$0.94	NZ\$1.08

CONTROL OF ENTITIES GAINED OR LOST

There was no gain or loss of control of entities during the 6 months ended 30 September 2017.

ASSOCIATES AND JOINT VENTURES

The company does not have any associates or joint ventures.

ACCOUNTING STANDARDS

The company's interim financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and comply with NZ IAS 34 and IAS 34, *Interim Financial Reporting*. They should be read in conjunction with the company's most recent audited financial statements.

BASIS OF REPORT

This report is based on the unaudited company financial statements. PwC has provided a review report on the financial statements, which is contained in the 2018 Interim Report.

Notice of event affecting securities

NZSX Listing Rule 7.12.2. For rights, NZSX Listing Rules 7.10.9 and 7.10.10.
For change to allotment, NZSX Listing Rule 7.12.1, a separate advice is required.

Number of pages including this one
(Please provide any other relevant
details on additional pages)

Full name of Issuer **Fisher & Paykel Healthcare Corporation Limited**

Name of officer authorised to make this notice **Antony G. Barclay** Authority for event, e.g. Directors' resolution **Directors' Resolution**

Contact phone number **(09) 574 0119** Contact fax number **(09) 574 0176** Date **21 / 11 / 2017**

Nature of event
Tick as appropriate

Bonus Issue If ticked, state whether: Taxable / Non Taxable Conversion Interest Rights Issue Renounceable

Rights Issue non-renounceable Capital change Call Dividend If ticked, state whether: Interim Full Year Special DRP Applies

EXISTING securities affected by this *If more than one security is affected by the event, use a separate form.*

Description of the class of securities **Ordinary Shares** ISIN **NZFAPE0001S2**
If unknown, contact NZX

Details of securities issued pursuant to this event *If more than one class of security is to be issued, use a separate form for each class.*

Description of the class of securities ISIN
If unknown, contact NZX

Number of Securities to be issued following event Minimum Entitlement Ratio, e.g. ① for ② for

Conversion, Maturity, Call Payable or Exercise Date Treatment of Fractions

Strike price per security for any issue in lieu or date Strike Price available. Tick if *pari passu* OR provide an explanation of the ranking

Monies Associated with Event *Dividend payable, Call payable, Exercise price, Conversion price, Redemption price, Application money.*

In dollars and cents

Amount per security (does not include any excluded income) **8.75 cents/share** Source of Payment **Revenue Reserves**

Excluded income per security (only applicable to listed PIEs)

Currency **New Zealand Dollars** Supplementary dividend details - NZSX Listing Rule 7.12.7 Amount per security in dollars and cents **1.544118 cents/share**

Total monies **\$49,928,930** Date Payable **20 December, 2017**

Taxation *Amount per Security in Dollars and cents to six decimal places*

In the case of a taxable bonus issue state strike price \$ Resident Withholding Tax **0.607639 cents/share** Imputation Credits (Give details) **3.402778 cents/share**

Foreign Withholding Tax \$ FDP Credits (Give details)

Timing (Refer Appendix 8 in the NZSX Listing Rules)

Record Date 5pm *For calculation of entitlements -* **6 December, 2017**

Application Date *Also, Call Payable, Dividend / Interest Payable, Exercise Date, Conversion Date.* **20 December, 2017**

Notice Date *Entitlement letters, call notices, conversion notices mailed*

Allotment Date *For the issue of new securities. Must be within 5 business days of application closing date.*

OFFICE USE ONLY

Ex Date:
Commence Quoting Rights:
Cease Quoting Rights 5pm:
Commence Quoting New Securities:
Cease Quoting Old Security 5pm:

Security Code:

Security Code:

