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Care.

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Fisher & Paykel Healthcare – A Global Leader

- Medical Technology business with leading positions in respiratory care and obstructive sleep apnea
- Global reach into hospital and homecare (99% of sales and 1,500 people outside NZ)
- 47 years' experience changing clinical practice to improve clinical outcomes and reduce cost
- Significant organic long-term growth opportunities
- 86% of revenue from recurring items, consumables and accessories
- High level of investment in R&D – 550 people
- High barriers to entry
- 3,600+ people globally



Our Products



Our Products



Our Products



Our Products

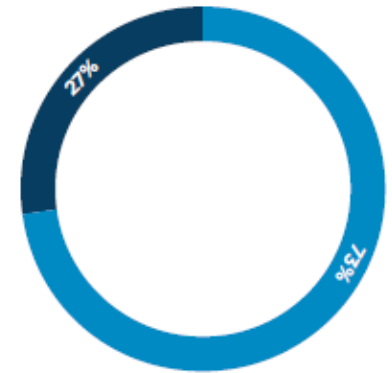


Why Mexico?

Mexico is performing extremely well

- Grow manufacturing outside New Zealand for geographical risk mitigation
- Working day overlap with Auckland
- Access to raw materials
- Economic and political stability
- Ease of personnel transfer (work permits etc)
- Proximity to our largest market over a 10 year horizon
- Great people – skill, productivity and availability of people

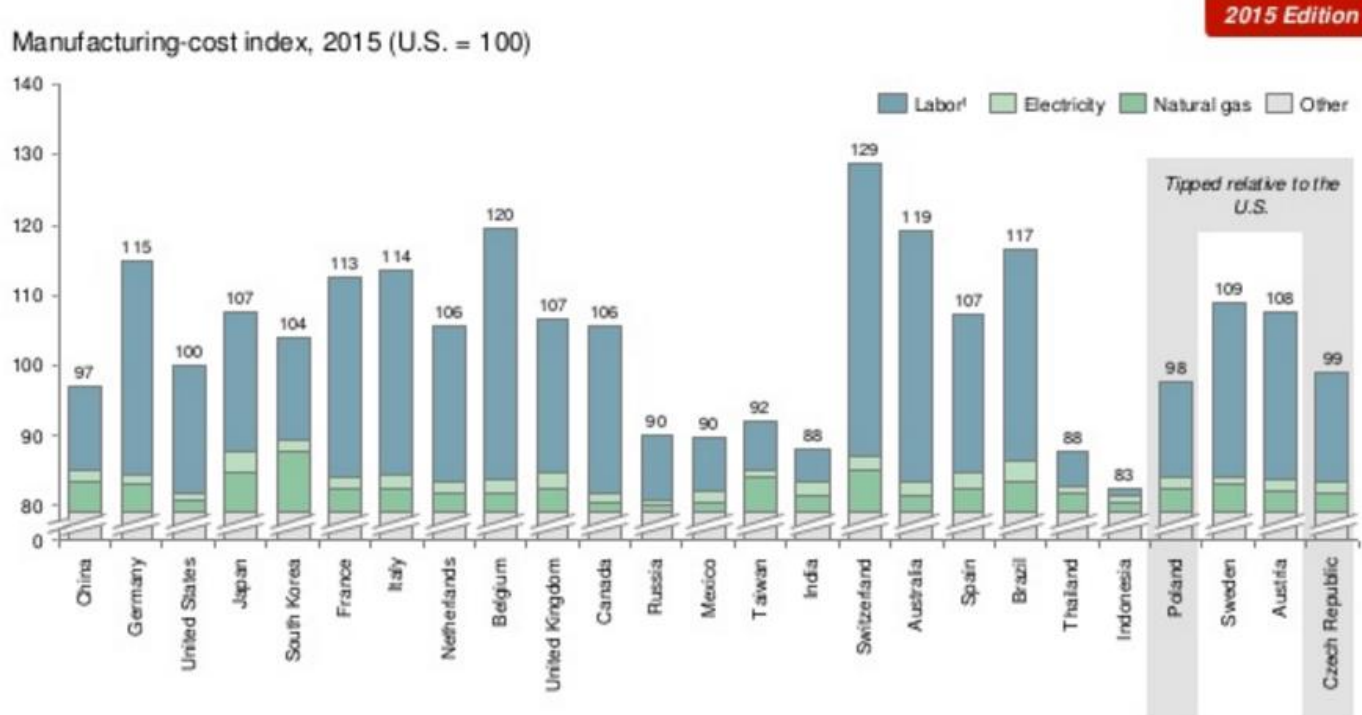
Manufacturing Output by Region
12 months to 31 March 2016



■ New Zealand
■ Mexico

Why Mexico?

Boston Consulting Group – Manufacturing Cost Competitiveness 2015



Tijuana Benefits

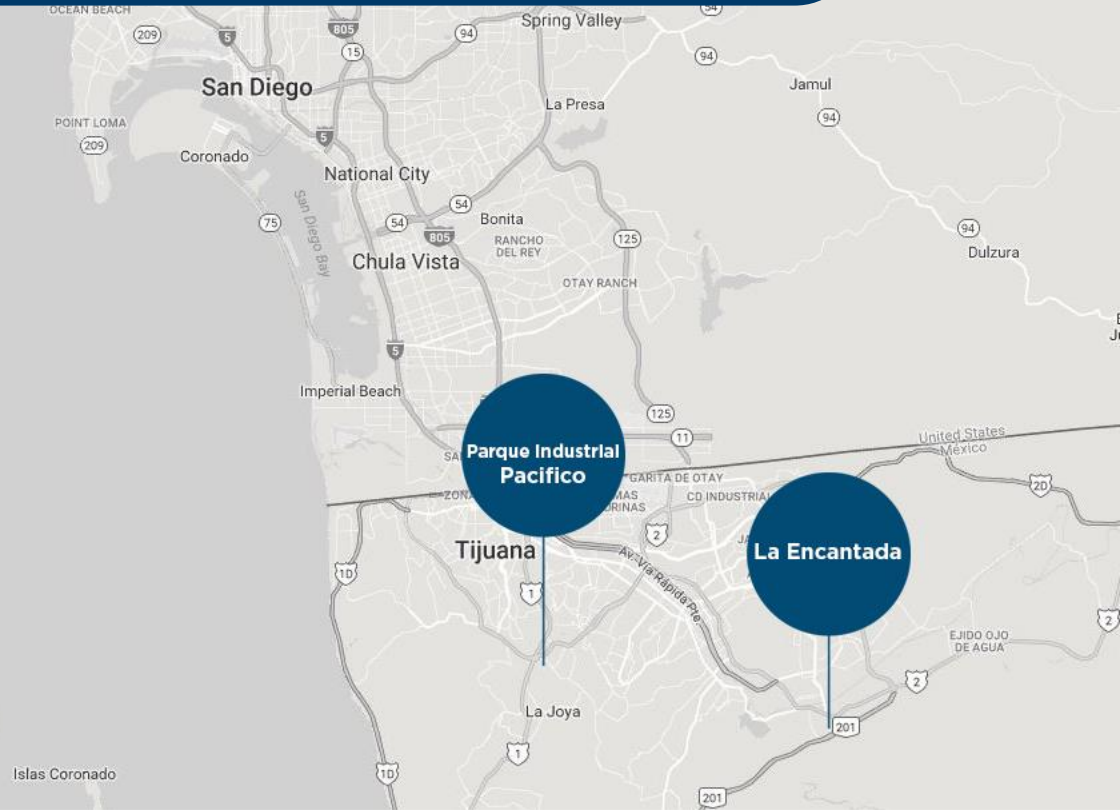
- Medical device manufacturing skills (>38,000 people)
- Proximity to major North American markets
- Low and relatively stable manufacturing labour costs
- Bilingual Spanish, English



Proximity

10,462 km

Distance from Auckland to Tijuana



Tijuana and Mexico Demographics

- Population of Mexico estimated at approximately 120 million
- 3.15 million people in Baja California
- 1.7 million people in Tijuana metropolitan area

1.8% annual
population growth



74.9 years
life
expectancy



27.0
average
work
force age



1.2 million people
labor force

Medical Device Industry in Tijuana



RELEVANT OPERATIONS IN BAJA CALIFORNIA (BY SPECIALTY)

OPHTHALMOLOGY



RESPIRATORY



ODONTOLOGY



CARDIOVASCULAR



GASTROENTEROLOGY



ORTHOPEDIC



HOSPITALIZATION AND SURGERY



PHARMACOLOGY, BIOTECH AND OTHERS



Employees in the Maquiladora
Industry in Mexico in 5,000+
companies

>2.4 million

Employed in Baja
California in 900+
companies

>290,000

Employed in Tijuana in
500+ companies

>200,000

Medical device
manufacturing
plants in Tijuana

50

Employees in medical
device manufacturers in
Tijuana

>38,000

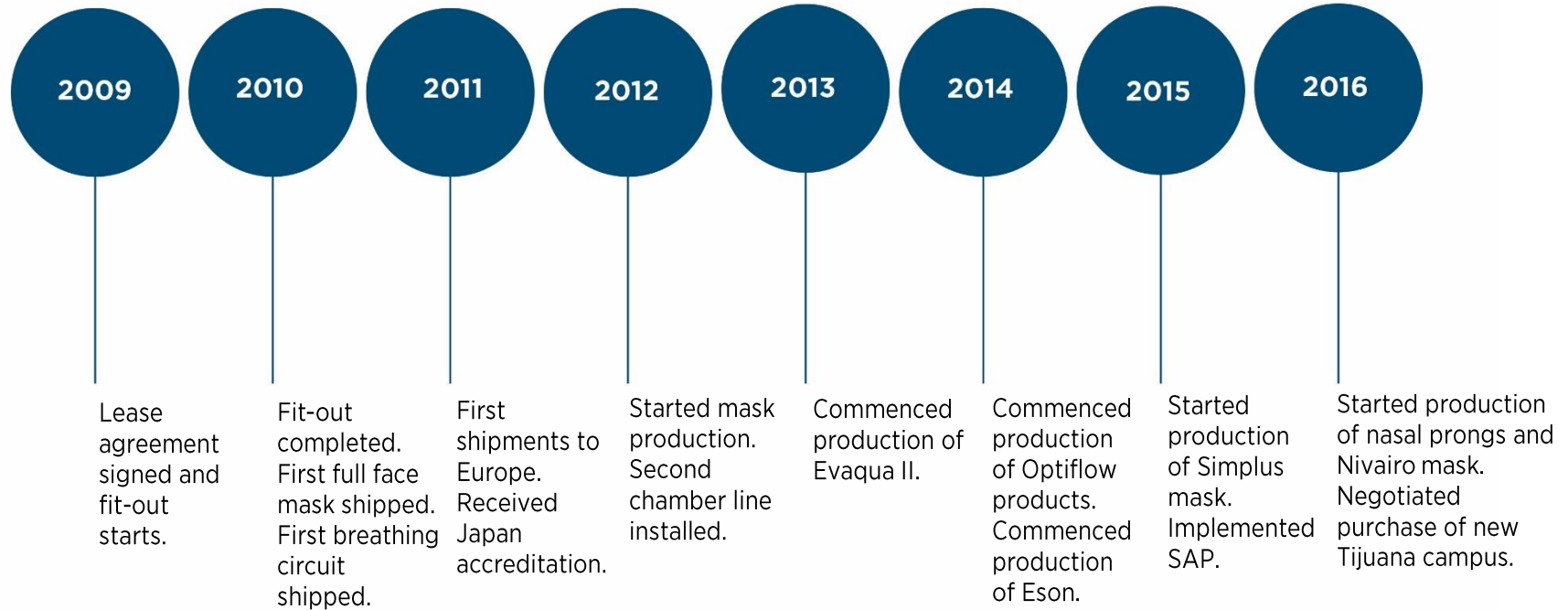
Source: Tijuana Medical Cluster/Instituto Nacional de Estadística y Geografía (INEGI)

Quality

- Commitment to manufacturing quality healthcare devices
- Environmentally-controlled environment: temperature, humidity, pressure and contaminant levels are kept within strict limits
- Production quality is continuously monitored and our products are rigorously tested before shipment
- As in NZ, certified to ISO13485 (the Medical Devices Quality Management Systems standard) by TÜV SÜD



Timeline



Our People

Total number of Mexico employees at August 2016

811



EDUCATION

World class universities

Public & Private universities

Technical Schools

35

14

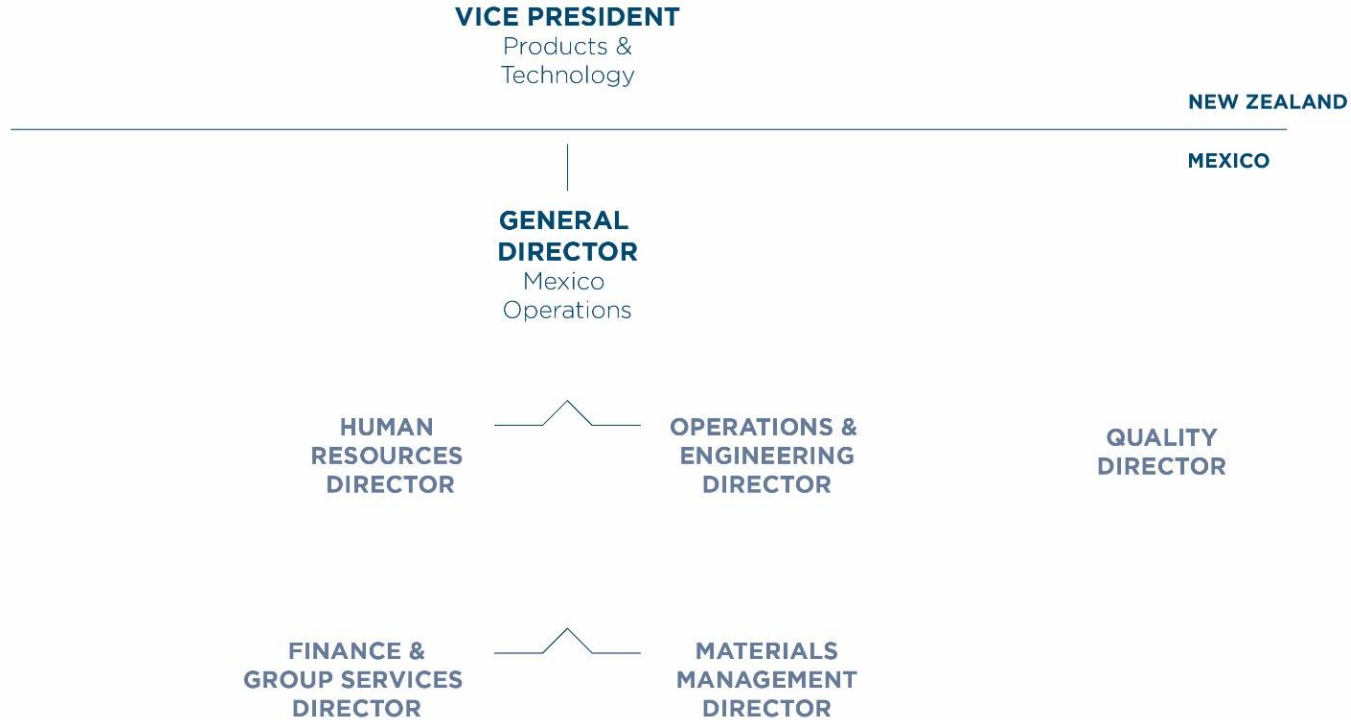
Degrees and Masters

- Mechanical Engineer
- Industrial Engineer
- Mechatronic Engineer
- Biochemistry Engineer
- Electrical Engineer
- Master and Doctorate in Sciences and Digital Systems
- Master in R&D in Digital Systems
- Master in Information Tech and Communication

Source: Tijuana Medical Cluster

Fisher & Paykel
HEALTHCARE

Organization Chart



Products Made in Mexico

Chambers



Circuits



Products Made in Mexico

Masks and accessories



Valuing Our People

- Educational excellence
- Children's Day open house
- Environmental and community initiatives
- Health awareness campaign
- Transport
- Subsidised meals



New Tijuana Campus - La Encantada



Fisher & Paykel
HEALTHCARE

What is next for Mexico?

- Adding capacity growth in Mexico, generally not moving production from New Zealand
- Currently in process of establishing a manufacturing campus in Tijuana
- New manufacturing facility in Tijuana to be completed in 2018



Questions?

