

Mission Statement

ResMed is a leading developer, manufacturer, and marketer of products for the diagnosis and management of sleep-disordered breathing. ResMed operates through direct offices in the United States, the United Kingdom, Sweden, Singapore, New Zealand, Malaysia, Germany, France, and Australia, and through a network of distributors in over 40 other countries.

ResMed is committed to advancing innovative technology in sleep and respiratory medicine and commercializing innovative products incorporating these technologies on a global basis. In reaching its goals, ResMed will at all times act ethically in dealing with both customers and employees.



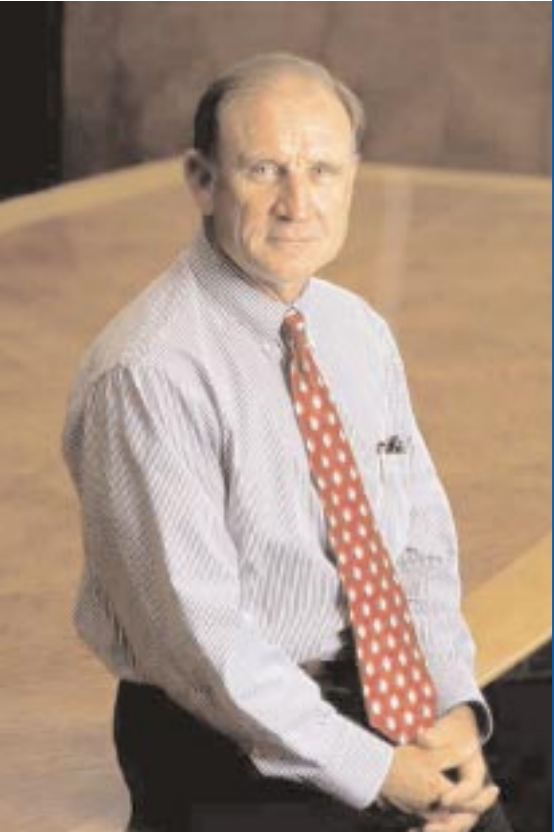
Cover detail from "The Concert" by Salvatore Zofrea

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Statements contained in this Annual Report, which are not historical facts, are "forward-looking" statements as contemplated by the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties, which could cause actual results to differ materially from those projected or implied in the forward-looking statements. Such risks and uncertainties are more fully discussed in the Company's Annual Report on Form 10-K for its most recent fiscal year.

Chairman's Report



Fiscal 2000 completes ResMed's 11th year of operations. It was another impressive achievement for the ResMed team. Revenues at \$115.6 million represented an increase of 30% on a year over year basis; net income at \$22.2 million represented an increase of 38% on a year over year basis. These are very robust results as well as very encouraging ones since the ratio of net income to revenues was an impressive 19.2%, indicative of a well-oiled machine. In addition, the company's gross margin was 68% for the full year, a figure which is excellent for a manufacturing entity. These results reflect great teamwork indeed, and all those who are playing in the ResMed gray and blue shirt deserve a vote of thanks for their efforts.

Last year I referred to Dr. William Dement's Triumvirate of Health where sleep was defined as part of a trilogy which included adequate nutrition and physical fitness. This year it has become even clearer that sleep is equally as important a part of wellbeing as nutrition and fitness. In the first six months of 2000 there were three seminal papers published in the medical literature linking sleep-disordered breathing (SDB) with hypertension, independent of other relevant risk factors. One paper, published by Peppard and colleagues of the University of Wisconsin in the *New England Journal of Medicine (NEJM)* in May 2000 showed, in an eight year prospective study, that untreated SDB was dose-related to hypertension; in other words, the severity of the SDB correlated with the risk of developing hypertension. This was a landmark paper showing that untreated SDB was

very likely a seminal factor in both stroke and cardiovascular disease. For years this had been suggested but this *NEJM* article showed that the latter is now most probable given the dose-related connection between SDB and hypertension. In addition, two further papers from the University of Toronto (Lavie et al, *British Medical Journal*, February 2000) and Johns Hopkins (Nieto et al, *Journal of the American Medical Association*, April 2000) showed, in several thousand patients evaluated, a direct association between untreated SDB and hypertension, again independent of relevant confounding factors. And a further publication by Hu et al from Harvard (*Journal of the American College of Cardiologists*, February 2000) showed, in a 10 year prospective study on nearly 72,000 female nurses—aged 40 to 65 years—that regular snoring was profoundly associated with an increased risk of stroke or heart attack (33% more likely after taking into account all other known risk factors; and in the uncorrected data, a 100% greater likelihood of death in the snoring group).

These compelling recent data from reliable sources simply underline the comment made by Dr. Elliott Phillipson in an editorial written over seven years ago in the *NEJM*, in which he stated that untreated obstructive sleep apnea (OSA) was a major public health problem with an impact rivaling that of tobacco smoking. Dr. Phillipson's message is suddenly much clearer. But, as I stated last year, we still have a long way to go in educating both public and physicians about the absolute importance of healthy sleep. In short, it is still our

mission to make people understand fully that it is time to wake up to sleep.

I am writing this report from my office in our newly purchased building in Poway, just north of San Diego. The building has 144,000 sq. ft of usable space. All warehousing and technical support in the US has been consolidated in Poway and the accommodation is first class. The 120,000 sq. ft Sydney facility is also working very well and we are surprised to learn that we may be needing more office and other space far sooner than expected. We have also moved into new facilities in both Germany and France; the latter two have been leased whereas the two larger facilities in San Diego and Sydney have been purchased. We have spent wisely and well on infrastructure in all these new facilities.

Last year I wrote about exciting new initiatives we were pursuing in stroke and congestive heart failure (CHF); we are more encouraged than ever in these areas as we continue to investigate them. We have an exclusive relationship with the US National Stroke Association in the area of SDB; we have a similar relationship with the Australian National Stroke Foundation where our current focus is on post-stroke patients in chronic rehabilitation. This work is being done in

conjunction with Professor Peter Disler at the University of Melbourne. In addition, Professor Helmut Teschler and colleagues at the University of Essen have now studied over 300 chronic stroke patients, about half of whom have been put on nasal CPAP. There are two points of significant interest. First, Dr. Teschler has confirmed the very high incidence of SDB in stroke patients, at over 50%. Second, in the first few months of treatment, compliance has been around 70%. These initial results augur well for ResMed and our AutoSet T technology. Finally, Teschler and colleagues have shown that fibrinogen levels, a key indicator of the probability of a second stroke, are significantly higher in patients with OSA. Other studies show that treatment of OSA lowers fibrinogen levels. This welcome news has now been accepted for publication in the *American Review of Respiratory and Critical Care Medicine*. We continue to be excited about the potential for treating SDB in stroke.

On the CHF front, our activities also continue to make sense. The initially encouraging results using AutoSet CS in the acute CHF patients of Professor Teschler are being further confirmed in chronic studies at Essen; there are now 15 patients on a long-term trial and the patients are doing well. We intend to expand these studies to a

further four centers in Germany. At the same time, we have applied to the appropriate German authorities for reimbursement approval; we expect to hear some good news on this front by the end of this calendar year.

We have also started clinical studies at Oxford on chronic CHF patients using AutoSet CS and sham controls. The study is being conducted by Professor John Stradling and Dr. Rob Davies at Churchill Hospital. Thus far five CHF patients out of a planned 20 have been successfully put on AutoSet CS; compliance for the CS group has been almost three times that of the sham group. We continue to remain excited about stroke and CHF opportunities and I hope to have some more compelling news to report to you this time next year about these two initiatives.

Our working relationship with Flaga, the manufacturer of Embla sleep diagnostic equipment, has continued to evolve positively. Flaga issued some more equity during the year to raise operational monies and ResMed chose to maintain its initial equity percentage by buying further shares in April. The value of our equity position has climbed more than three-fold based on recent trading prices for Flaga shares. In addition, Flaga has developed a highly sensitive

and specific portable sleep diagnostic device, which incorporates AutoSet software in the analysis. The portability and ease of use of the new diagnostic system known as the Embletta PDS will help expand opportunities for the diagnosis of SDB by permitting accurate, unattended diagnostic studies to be done at home and in hospital wards and rehabilitation settings. We expect to begin marketing the Embletta PDS in the final quarter of this calendar year.

This year also saw the launch of the *Ultra* Mirage masks and the ResMed S6 range. The *Ultra* is a further development of our well regarded Mirage masks; the *Ultra* was successfully launched in the US in June and is being launched internationally in August. The ResMed S6 CPAP devices are quieter than any other major commercially available CPAPs and, in addition, have improved flow and pressure characteristics. Further, these devices are among the most compact and lightest of CPAPs on the market. We remain very optimistic about these newly launched sleep products.

In March, ResMed was the major sponsor of the 6th World Congress on Sleep Apnea held at Sydney's Darling Harbour Convention Centre. The meeting was hosted by Professor Colin Sullivan of the University of Sydney Medical School, and

some 1000 delegates from around the globe were in attendance. ResMed's autotitrating technology was widely touted by global researchers as a very effective means of treating SDB. In particular, Dr. Clifford Massie and Dr. Robert Hart of Chicago presented prospective data from five US sleep centers showing statistically that in 31 patients the ResMed AutoSet T was superior to conventional CPAP in compliance, sleep quality, and patient energy levels in treating OSA. We also took the opportunity to host many of the offshore visitors at ResMed's impressive North Ryde manufacturing facility. The congress was a great success for the company.

During the year ResMed changed from a NASDAQ listing to the New York Stock Exchange, under the ticker symbol RMD. The goal was to increase the company's profile, and that of sleep disorders in general, as well as reduce the volatility of the stock; the latter has yet to show any evidence of change but ResMed's profile and that of sleep disorders has certainly improved, although there is still much work to be done in this regard.

Fiscal 2000 also saw ResMed listed as an exempt foreign listing on the Australian Stock Exchange (ASX). This was done primarily for two reasons. First, to provide greater visibility to the company in

Australia, where virtually all of ResMed's manufacturing is done; and second, to broaden the equity base and make it easier for employees and others within Australia and the Asian time zone to trade in ResMed stock. Shares on the ASX, known as CDIs, are traded at a ratio of 10 CDIs for each NYSE share. Since trading began on the ASX in November 1999, it is estimated that 35% of ResMed's equity is now owned by Australian-based institutions or residents. This figure is expected to grow significantly as the stock is proving to be popular within the Australian environment—particularly since the company has now had 21 consecutive record quarters, since our original IPO, where we have bettered or equalled First Call Consensus EPS estimates. We are proud of this achievement.

ResMed was highlighted in May 2000 in a circumspect article in the influential *In Vivo* magazine; we were also featured on Bloomberg Television Asia-Pacific and, more recently, on CNBC. Nevertheless, there is still a challenge ahead for the global sleep community to continue to educate both public and physicians about the inherent dangers associated with untreated SDB.

On the operations front, we have successfully expanded the Oracle ERP into the US, Australia,

Germany, and France; within a few months all major ResMed facilities will be on the system. In addition, we have begun implementing World Class Manufacturing (WCM) at the Sydney plant. The first area to benefit from WCM is the ResMed S6; the staff on the production line has taken to WCM like a duck to water. By the end of calendar 2000 we will have converted the bulk of our manufacturing operations to WCM.

ResMed is now at about 625 employees; we added a substantial number of staff during the year across virtually all departments. We welcome these new recruits and have high expectations of them. The late Karl Bays, former Chairman and CEO of American Hospital Supply and later Co-Chairman of Baxter Healthcare, was a respected leader in the healthcare industry. He was a man who was adept at conveying a vision in a succinct way. In one of his employee talks to Baxter financial managers he made four requests. The first was that one should try to *simplify things*. Simplification is actually hard to achieve unless one really understands the issues and that was his point: one had to do one's homework. Second, one should emphasize *action over analysis* and remember that the main goal of all employees was to serve a customer. Third, one had to learn to *trust people*. Fourth, one needed to exercise *personal and professional judgment* and

stand up above the crowd and be heard. We take these directives seriously and try to follow them within ResMed.

Once again I would like to thank all employees for their inputs and efforts during the year, as well as for their teamwork. ResMed staff made this another great year. I would also like to thank the Board for their continuing support and strategic inputs. Once again the Medical Advisory Board (MAB), ably chaired by Professor Colin Sullivan, was very helpful in reviewing our research and development focus and making useful strategic suggestions, particularly as we reviewed our diagnostic and treatment options in the stroke and CHF areas. In this vein, we added one more person to the MAB, Professor Claudio Bassetti of the University of Bern in Switzerland. Claudio is a neurologist with a substantial background in the diagnosis and treatment of SDB in stroke. He will shortly move to a Chair in Medicine at Zurich and recently spent time with Dr. Michael Aldrich in studying SDB in stroke at the University of Michigan. We also acknowledge, with regret, the untimely death of Dr. Aldrich, a pioneering neurologist in the field of sleep.

On another note, I am pleased to report that I have accepted an invitation from Harvard Medical School

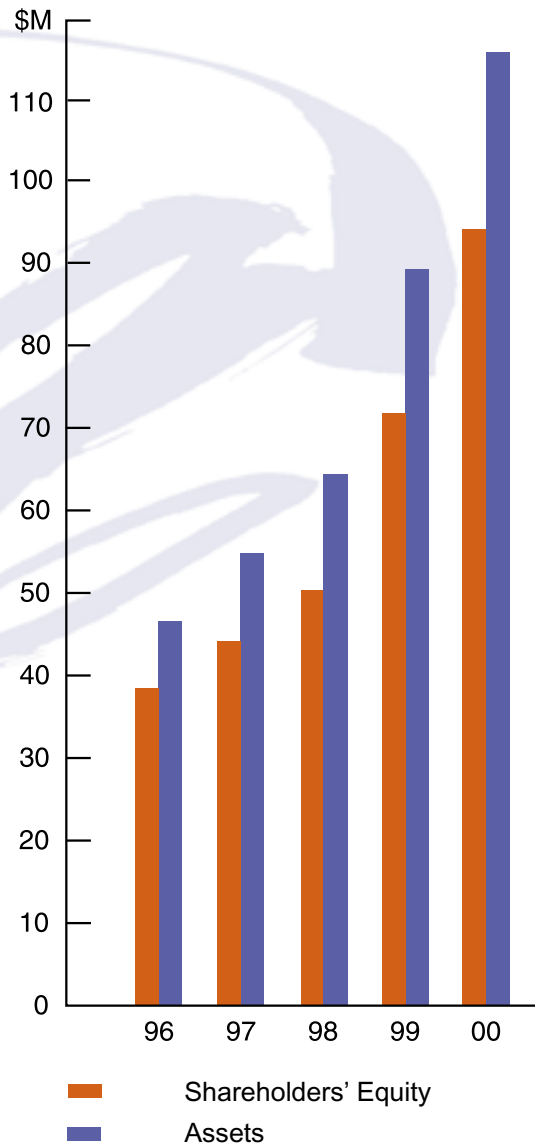
(HMS) to become Vice Chairman of the Executive Council of the HMS Division of Sleep Medicine. The Executive Council is committed to building a home for sleep medicine within the Harvard medical faculty, with a further goal of developing a generalized model for the teaching of sleep medicine. I look forward to taking part in this activity.

Finally, I'm also delighted to inform you that Professor Colin Sullivan and I have been named joint recipients of the KL Sutherland Memorial medal for the year 2000. The medal is awarded bi-annually by the Australian Academy of Technological Sciences and Engineering, the Australian Industrial Research Group, and the Australasian Institute of Mining and Metallurgy. In this case the medal was awarded jointly for the invention (Colin) and global development and marketing (myself) of nasal CPAP for the treatment of obstructive sleep apnea.

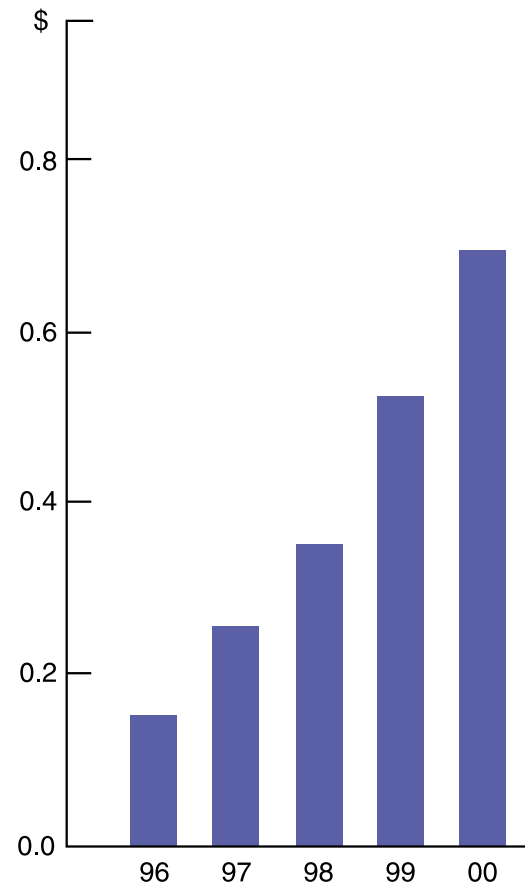
Thanks to all shareholders for your support during fiscal 2000. We are committed to the further expansion of the field of SDB. It still remains time to wake up to sleep.

We are determined to make it happen.

Assets and Shareholders' Equity



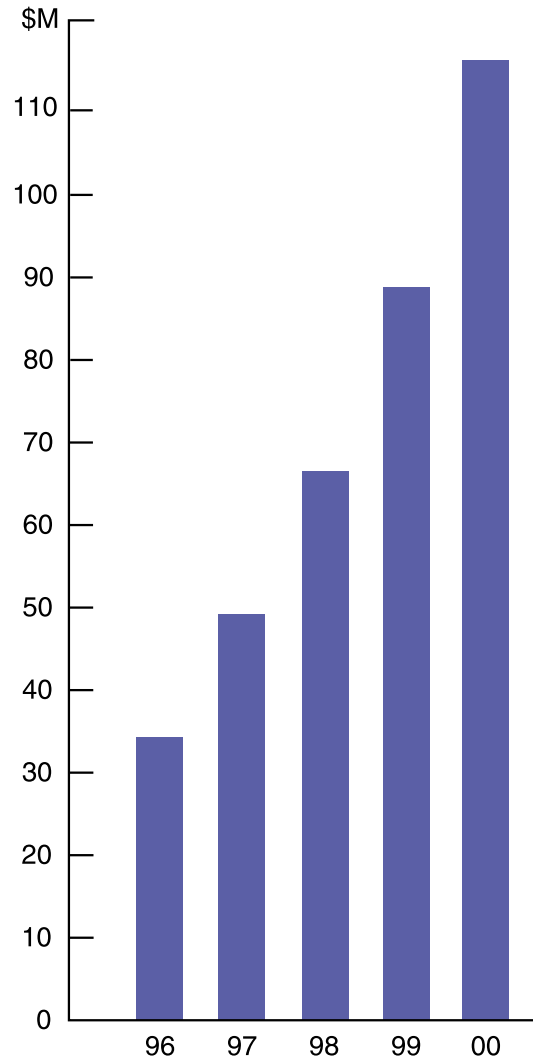
Net Income per Common Share and Equivalent



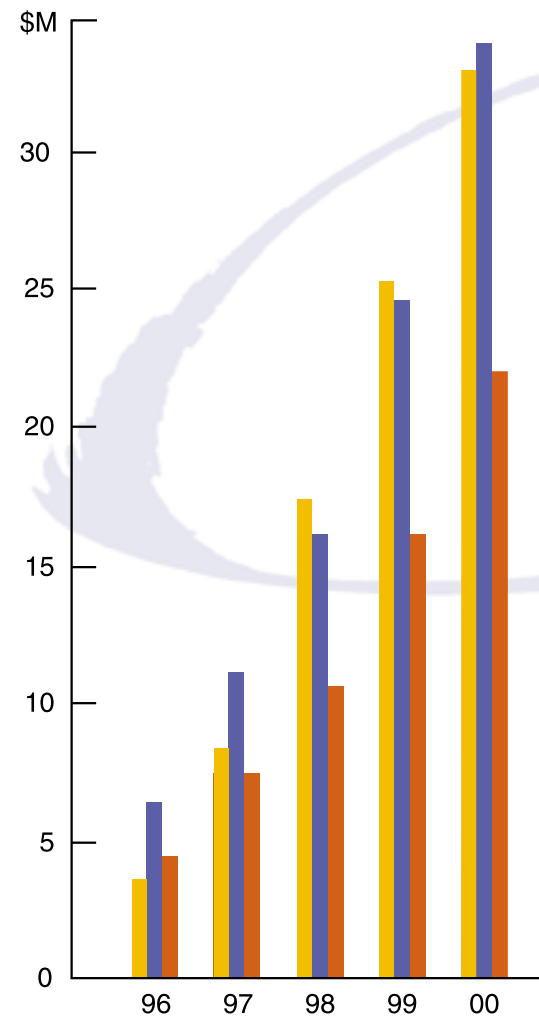
NOTE: Graphs based on consolidated financial data for the five-year period ended June 30, 2000.

Financial Summary

Net Revenue



Income



- Income from Operations
- Income before Income Taxes
- Net Income

2000 Highlights

September 2000

- Ranked for second consecutive year by *Fortune* as one of America's *100 Fastest-Growing Companies* (Sept. issue)

June 2000

- Included for second year running in *Business Week* magazine's annual list of the *100 Hottest-Growth Companies* (\$25m to \$500m annual sales) in the US, ranked number 58 above last year's 67
- Received two Australian Technology Awards for Excellence; the first in the Development of Biotechnology, Pharmaceutical Technology, and Medical Instrumentation, and the second in the Globalization of Technology Pioneered in Australia
- ResMed S6 CPAP system released in US
- Ultra Mirage* mask released in US

May 2000

- Entered into partnership with the US National Stroke Association to promote awareness of the high prevalence of SDB in stroke patients

April 2000

- Enhanced AutoSet T released
- Enhanced VPAP product range released





March 2000

- 2-for-1 stock split
- AutoScan sleep data management software released

February 2000

- Embla Sleep Recorder introduced

January 2000

- Purchased business activities of Einar Egnell AB (Swedish distributor)

November 1999

- Secondary listing of common stock on the Australian Stock Exchange (ASX)

October 1999

- ResControl multi-purpose clinical assistant product released

September 1999

- Listing transferred from NASDAQ to New York Stock Exchange (NYSE), trading under the symbol RMD
- Mirage Disposable Full Face mask released

Business Overview

ResMed's overall focus is on improving the quality of life for people with sleep-disordered breathing (SDB). With a reputation for technological innovation, the company is a leading provider of medical devices for diagnosing, treating, and managing SDB. Extensive global presence and a clear focus on SDB and related market opportunities have enabled ResMed to create and maintain shareholder value.

Since first listing in June 1995, ResMed has met or exceeded First Call Consensus earnings per share estimates for 21 consecutive quarters. ResMed is now listed on both the NYSE and ASX under the symbol RMD.

As of June 2000, the company's compound annual growth rate was well in excess of market growth rates: 35% for sales and 49% for net income, using fiscal 1996 as a base.

ResMed employs about 625 people and distributes products in over 50 countries. The company is cash flow positive with no long-term debt. Revenues and profits have increased steadily during the past nine years, making ResMed a robust and rapidly growing player within the SDB marketplace.

How it Started

When ResMed was formed in 1989, its primary purpose was to commercialize a device for treating obstructive sleep apnea (OSA), a major subset of SDB. Developed in 1981 by Professor Colin Sullivan and colleagues at the University of Sydney, nasal continuous positive airway pressure (CPAP) provided the first successful noninvasive treatment for OSA. Since 1989, ResMed has maintained its focus on SDB, which is gaining greater public and physician awareness. Operations have grown dramatically through the introduction of a number of highly innovative product lines.



ResMed Corp, Poway, CA
reception

The Way Forward

It is estimated that OSA affects at least 20 million Americans, its prevalence being comparable to that of asthma or diabetes. However, awareness is low with only around 5% of sufferers being diagnosed and treated. Along with an increasing understanding of the morbidity and mortality caused by SDB, this discrepancy has created one of the fastest growing segments of the respiratory industry.

ResMed's core business has been developing devices for diagnosing and treating OSA. However, the company is moving quickly into other areas of medicine affected by SDB, namely stroke, congestive heart failure (CHF), and chronic obstructive pulmonary disease (COPD).

Stroke is a major cause of disability and the third highest cause of death in the Western world¹. Nearly five million Americans are now living with CHF¹ and it is a leading cause of hospitalization in older adults.

Over 60% of stroke patients² and around 60% of patients with heart failure have SDB.³ While it

remains to be proven that SDB is a definite risk factor, a vast amount of evidence shows strong links between SDB and both stroke and congestive heart failure. A recent publication in the *New England Journal of Medicine* has shown that the risk of developing hypertension, a major risk factor for cardiovascular and cerebrovascular disease, is two to three times higher in patients with OSA.⁴

The incidence of COPD has risen dramatically in the past 30 years. Almost 16 million Americans now have COPD and it is ranked fourth among leading causes of death in the US.⁵

ResMed devices can improve the quality of life and prolong life for these people. With proprietary technology and partnerships with key players, the company is well positioned to capitalize on this opportunity.

¹ American Heart Association ²Bassetti et al. *Sleep* Vol. 22, No 2, 1999; 217-223 ³Lipkin. *The Lancet* Aug 1999 Vol.354 No 9178 p531-532 ⁴Peppard et al. *New Eng J of Med* May 2000 Vol 342 No 19 p1378-1383 ⁵American Lung Association



ResMed's VPAP II ST-A

Business Strategy

Think Global; Act Local

ResMed was born global. From day one the company operated in multiple countries. Today, products are marketed and distributed in over 50 countries by direct employees as well as distributors with extensive knowledge and experience of local markets. This ensures that ResMed supplies the right products to the right markets—a key factor in the company's business strategy.

ResMed believes that the market for SDB products will increase in the future due to a number of factors including increasing awareness of SDB, evidence emerging showing that SDB is a risk factor for heart disease and stroke, and an increase in home-based treatment and diagnosis.

ResMed's strategy for the expansion of its business operations consists of the following key elements:

Continue Product Development and Innovation

ResMed is committed to ongoing innovation in developing products for the diagnosis and treatment of SDB. Since its founding, ResMed has been the leading innovator in products designed to increase patient comfort and encourage compliance with therapy. ResMed believes that continued product development and innovation are key factors in its ongoing success.

Expand and Deepen Geographic Presence

ResMed actively markets its products in over 50 countries to sleep clinics and home healthcare dealers. ResMed intends to increase its sales and marketing efforts in all of its current markets as well as expand its presence in the cardiovascular and cerebrovascular sectors.

Increase Public and Clinical Awareness

ResMed intends to expand its existing promotional activities in the awareness and prevalence of SDB and its treatment alternatives within three main groups:

- (1) the population with predisposition to SDB
- (2) primary care physicians and specialists, such as cardiologists, neurologists, and pulmonologists
- (3) patient support groups.

As part of this program, ResMed will continue its significant Clinical Education and Training programs—including the sponsorship of several international symposia on different clinical effects of SDB, including its cardiovascular and cerebrovascular implications. As well as providing a forum for exchange of ideas and information for attending healthcare professionals, each conference has been published in CD-ROM format for distribution. ResMed also intends to use its existing public relations and general marketing programs to further promote awareness of SDB to both physicians and the general public.

Develop Alliances in Key Markets

ResMed has developed alliances with both the US National Stroke Association and the Australian National Stroke Foundation to provide further education about SDB in stroke patients to clinicians, patients and their families. The alliance with the US NSA will encompass educational materials for both clinicians and patients and audio conferences with nurses and physicians. In addition, ResMed will be sponsoring an education symposium at the NSA's annual meeting on SDB and stroke in September 2000. ResMed is working closely with key opinion leaders in the cardiology community to improve awareness about SDB in CHF patients. The company is also looking at forming alliances with companies that are already part of the cardiology market.

Expand into New Markets

As a strategic goal, ResMed believes in developing strong links to the medical community to identify new directions in treatment and markets for its products. ResMed maintains close working relationships with a large number of prominent physicians to explore new medical applications for its products and technology.

As part of its research focus, ResMed maintains extensive external and internal research programs, including programs in the treatment of stroke, cardiac, and post-operative surgery patients. ResMed is working to educate both physicians and patients about SDB risk factors post-stroke and looking at strategies to improve outcomes and quality of life. The company is also actively working with key opinion leaders in the

fields of stroke and neurology throughout the US and Canada.

In addition, ResMed and other manufacturers are supporting a continuation of the Canadian Positive Airway Pressure (CANPAP) trial. This is providing further information on the effects of positive airway pressure in Canadian patients with congestive heart failure and SDB.



Global Distribution: ResMed products are exported for distribution in over 50 countries

Waking up to sleep

While the importance of physical fitness and good nutrition has been recognized for decades, the importance of sleep is only now being acknowledged. Sleep accounts for approximately one-third of our lives and a growing number of physicians believe that it should receive more attention from the medical community.

You can't be healthy unless your sleep is healthy: the triumvirate of health proposed by Dr. William Dement, Director, Stanford Sleep Disorders Clinic and Research Center, Stanford University, US



Researchers have linked sleep-related illnesses to hypertension, stroke, congestive heart failure, depression, and an overall decreased quality of life.

The consequences of SDB can severely affect health and mortality—yet awareness among primary care physicians is low. This means that getting properly diagnosed can present a challenge for many people. Patients often find themselves treated for other conditions when the cause of their symptoms lies in their sleep.

What is OSA?

Approximately 10% of the population suffer from OSA to some degree. It can affect people at any age: from newborn babies through to adults of either sex.

People with OSA repeatedly stop breathing during sleep due to a temporary collapse of the upper airway (an obstructive apnea). A sufferer can stop breathing for ten seconds or more, sometimes several hundred times during six to eight hours of sleep.

Breathing recommences when the brain realizes there is a lack of oxygen and alerts the body to wake up. These wake-ups are brief and rarely remembered. Consequently most sufferers are only diagnosed after someone, usually a partner, hears them while they sleep and realizes something is seriously wrong. The audible cycle will usually be one of loud snoring, followed by silence as the airway blocks, followed by gasping as the sufferer starts to breathe again.

The main symptoms of OSA are heavy snoring, apneas, and excessive daytime sleepiness due to severely disrupted sleep. Other more serious consequences include depression, high blood pressure, serious heart conditions, sexual problems, memory lapses, morning headaches, and intellectual deterioration.



ResMed's S6 CPAP device delivers continuous positive pressure through an UltraMirage mask to keep the airway open during sleep

Usually, a family physician will refer patients with symptoms of OSA to a sleep specialist. Diagnosis is made following an overnight sleep study, either at a sleep clinic or at the patient's home. Respiratory parameters, heart rate, and blood oxygen levels are monitored to determine the presence and severity of OSA.

How Does Treatment Work?

Treating OSA involves delivering positive airway pressure through a small nasal mask. The

pressure acts like an "air splint" to keep the upper airway open. Positive airway pressure is not a cure, but a noninvasive therapy for managing OSA; in order to be fully effective, it must be used on a nightly basis.

Nasal CPAP (continuous positive airway pressure) delivers continuous pressure at a fixed level, which is determined during an overnight sleep study. It has proven highly successful over the past decade and has helped hundreds of thousands of sufferers worldwide. This year ResMed introduced the ResMed S6 range of

CPAP systems. Smaller, lighter, and significantly quieter than other major commercially available CPAPs, the ResMed S6 is the company's premier fixed-pressure CPAP.

Stroke

Stroke is an injury to the brain caused by an interruption to its blood supply. It occurs when a blood vessel bringing oxygen to the brain bursts or is clogged by a blood clot or other particle. Deprived of oxygen, nerve cells die within

minutes and cannot be replaced. This means that the parts of the body controlled by the affected nerve cells may no longer function properly. Risk factors for stroke include high blood pressure, atrial fibrillation (a type of irregular heartbeat), smoking, high cholesterol, and excess weight.

How Does Treatment Work?

Positive airway pressure technology has evolved in recent years with the introduction of ResMed's revolutionary AutoSet T device. AutoSet T automatically adjusts the amount of pressure delivered to suit the patient's needs as they vary throughout the night according to sleep stage, body position, and other factors. The patient receives only the amount of pressure required for effective therapy. This improves comfort,

reduces pressure-related side-effects, and can lead to increased compliance with therapy.

AutoSet T records detailed data while it treats the patient. Sleep physicians and therapists can monitor this information to ensure therapy is effective for the patient. It also eliminates the need for a second night in a sleep lab to determine the appropriate pressure, or even follow-up testing as a patient's pressure needs change over time.

Ideal for patients with OSA, AutoSet T is also appropriate for treating OSA in stroke patients. This is because AutoSet T adapts to the dynamic changes that occur in SDB during recovery from stroke.

ResMed is in the process of conducting further clinical trials to demonstrate an improvement in functional outcomes in post-stroke patients using AutoSet T.

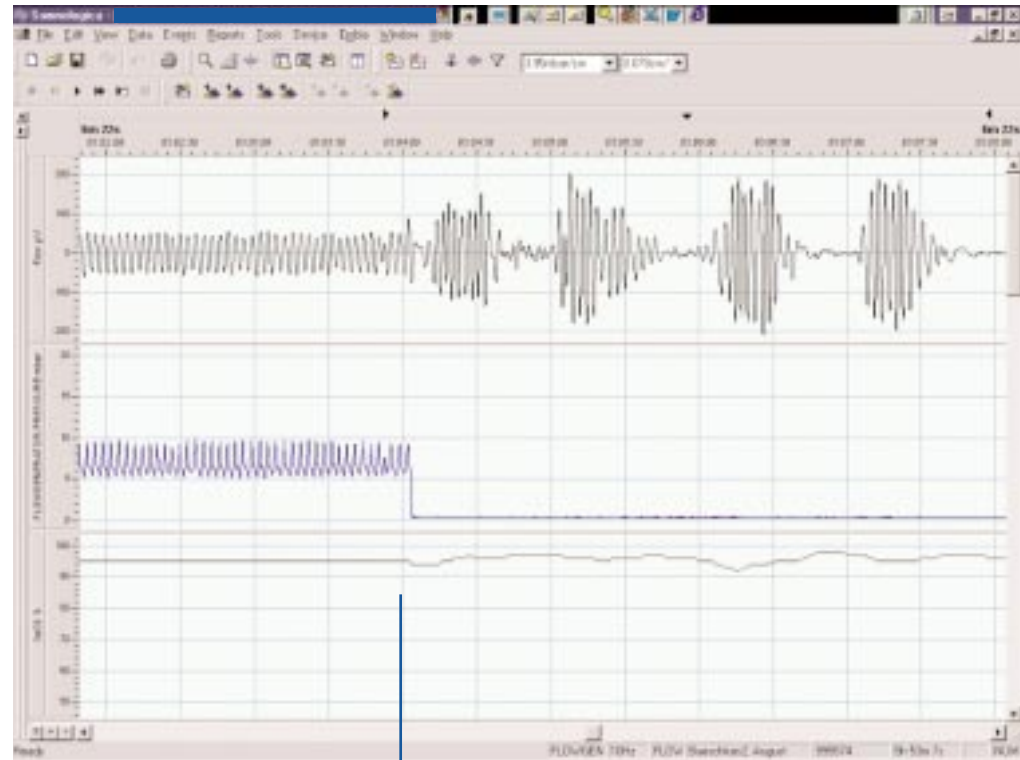


ResMed's AutoSet CS systems undergoing a soak test where they are run continuously for several hours prior to final testing and release.

Congestive Heart Failure

CHF is a disease in which the heart fails to pump enough blood to meet the needs of the other organs in the body. It can result from narrowed arteries that supply blood to the heart muscle, heart attack, high blood pressure, disease of the heart muscle itself, heart defects present at birth, and infection of the heart valves and/or heart muscle.

Around 60% of patients with CHF have SDB. Of these, 36% manifest a serious condition known as Cheyne-Stokes Respiration (CSR), 12% manifest with OSA, and the rest manifest a combination of central and obstructive abnormal breathing.¹ With CSR, also known as periodic breathing, a person's breathing continually cycles between underbreathing (may stop altogether) and overbreathing. Daytime CSR is associated with extremely poor survival,² while CSR during sleep is also associated with greatly shortened life expectancy.³



AutoSet CS respiratory therapy

No respiratory therapy

AutoSet CS at work: Top line shows patient breathing. Middle line shows AutoSet CS pressure delivery. When AutoSet CS therapy is applied, patient breathing is normalized and regular. When therapy ceases, patient returns to CSR or periodic breathing.

How Does Treatment Work?

Preliminary study results from Canada, Australia, and the United States have shown that CPAP can significantly improve left ventricular ejection fraction⁴ (which is a measure of cardiac function), as well as reduce hospital admissions and improve quality of life in CHF patients.⁵ However, nasal CPAP is poorly tolerated by these patients.

ResMed has developed new technology for patients with CHF and CSR. The AutoSet CS device automatically adjusts pressure on a breath-by-breath basis, delivering varying degrees of ventilatory assistance to stabilize breathing and reduce CSR. Patient tolerance is the key factor for compliance and the AutoSet CS has a number of features designed to improve tolerance. Clinical trials have shown AutoSet CS provides better control of CSR than other forms of respiratory therapy.^{6,7}

Chronic Obstructive Pulmonary Disease

COPD is a group of diseases, the most common being chronic bronchitis and emphysema. The common characteristic of COPD diseases is

obstruction to the airflow in and out of the lungs. People with COPD may eventually require supplementary oxygen and have to rely on mechanical ventilatory assistance.

In the later stages of COPD, the heart may be affected. Eventually death occurs when the lungs and heart can no longer supply oxygen to the body's organs and tissues.

How Does Treatment Work?

Around 1.2 million Americans are on long-term oxygen therapy, and approximately one-third of these patients suffer from daytime hypercapnia (high carbon dioxide levels), which is associated with poor outcomes. The main cause of this hypercapnia is nocturnal hypoventilation, which can be treated with bilevel ventilatory assistance.⁸


ResMed's VPAP (Variable Positive Airway Pressure) systems, deliver comfortable bilevel therapy. The systems provide higher pressure while the patient breathes in and lower pressures while the patient breathes out. Breathing out against a lower pressure makes treatment more comfortable, particularly for patients who need

high inspiratory pressure levels or for patients with impaired breathing ability who need mechanical ventilatory assistance.

Recent studies show that almost all patients on bilevel therapy experience air leaking out of the mouth.⁹ In this situation, bilevel systems cannot reliably sense the patient's breathing patterns. ResMed VPAP bilevel systems solve this problem with an exclusive IPAP Max feature, which enables the systems to remain in sync. with the patient's own breathing. The VPAP II ST-A also has built-in audio and visual alarms, which activate when pressure is too high, too low, or if there is a power failure.

¹ Lipkin. *The Lancet* Aug 1999 Vol.354 No 9178 p531-532

² Andreas et al. *Am J Cardiology* 1996; 78:1260-1264 ³ Hanly PJ, Zuberi-Khokhar NS. *Am J Respir Crit Care Med* 1996 Jan; 153(1):272-6 ⁴ Bradley et al. *J Cardiac Failure*, 1996 Sep; 2(3): 223-240 ⁵ Bradley. *Sleep* 1996; 19(10):S232-255 ⁶ Teschler et al. *Am J Respir Crit Care Med* 1999; 159 part 2 (No 3):A249 ⁷ Teschler, et al. Publication in review ⁸ Sivasothy et al. *Eur Respir J* 1998; 11:34-40 ⁹ Meyer, TJ, et al. *Sleep* Jul 1997, 20 (7) 561-9.



In August 1993, Kay Walsh took a short nap and awoke with sleep paralysis and the frightening experience of wakeful dreaming. Startled by this experience and plagued by constant fatigue, Kay went to see her doctor. He placed her on anti-depressant medication, attributing her tiredness to anxiety and depression.

Over the next two years, Kay became steadily more exhausted and started experiencing memory lapses. Additionally, her work began to suffer. Employed as an educator, Kay was placed under observation as a disciplinary action. Again she sought medical advice. The first doctor tested for Attention Deficit Disorder (ADD). A second doctor gave her a test for short-term memory loss while a third ordered an MRI to check for a brain tumor. During the MRI exam, Kay stopped breathing and choked three times. Still undiagnosed, she lost her job.

In June 1996, Kay saw a television show on sleep disorders and was amazed by what she heard. They were describing her condition. She was subsequently tested for OSA and prescribed CPAP therapy. Today Kay is active again. In 1998, she started the San Diego A.W.A.K.E support group. "Waking up in the morning and feeling fantastic and knowing I'm going to be able to do everything I want in the day, is one of the greatest blessings of my life," she stated.

Kay Walsh Coordinator for San Diego A.W.A.K.E,
a support group for sleep disorders.

Other ResMed Products

ResMed markets devices for the diagnosis, titration, and treatment of SDB in sleep clinics, hospitals, and patients' homes. These portable systems give sleep clinics and specialists the means to expand their capabilities and increase patient throughput.

The AutoSet Portable II Plus with AutoSet Clinical III software is used to diagnose OSA in sleep clinics, hospitals, or patients' homes. The system records all relevant respiratory data, which can then be downloaded to a computer for review and print out.

In February, ResMed introduced Flaga's portable Embla Sleep Recorder, which can carry out a full sleep diagnosis equivalent to that performed during an overnight stay in a sleep laboratory.

Later this year ResMed will introduce Flaga's Embletta PDS (Portable Diagnostic System). The Embletta PDS is a pocket-size digital recording device for diagnosing OSA. The complete system is extremely easy to use and is actually worn by the patient. Because the Embletta is battery powered, there is no external power source and no long wires for the patient to get tangled up in.

Its small size also makes it extremely easy and convenient to transport.

In addition, ResMed manufactures air delivery systems that include nasal masks, headgear, and tubing to connect the system to the patient. The comfort of these systems is vital to ensuring that patients comply with their therapy.

Released in 1997, ResMed's Mirage mask system has become popular with patients and clinicians due to its superior comfort and fit. This year ResMed released the *Ultra* Mirage mask system, which has built on the success of the Mirage mask with added features to further enhance patient comfort and ease of use.

ResMed's Mirage Full Face mask provides an effective method of applying mechanical ventilatory assistance and can be used to address mouth-breathing problems in conventional bilevel or CPAP therapy. A disposable nasal mask and disposable Mirage Full Face mask are manufactured for the hospital market.

ResMed also sells cushions, frames, and headgear separately. A patented Bubble Cushion, made from a thin, soft silicone membrane, readily conforms to the patient's facial contours to form a

seal and minimize air leaks. The cushion complies with body movement and eliminates the need for tight headgear to form a secure seal.

Typically, patients replace mask cushions around twice a year and headgear every three to six months. Bubble Masks are available in sizes designed to fit a wide variety of different faces. They are sold independently of ResMed systems, either as replacement products or with other manufacturers' devices. ResMed also manufactures the Bubble Mask on an OEM basis for one of its competitors.

Accessories

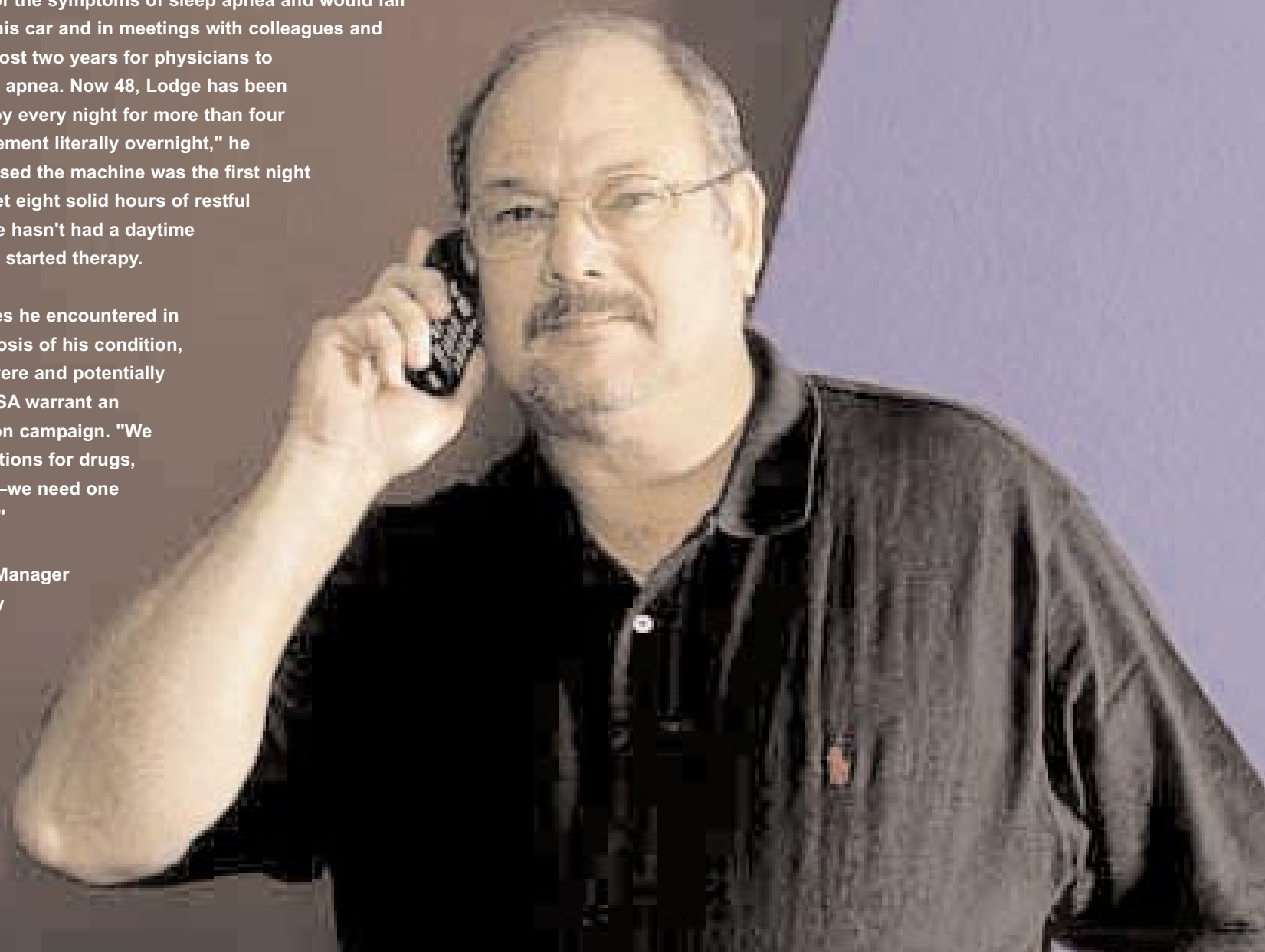
To enhance patient comfort, convenience, and compliance, ResMed markets a variety of other products and accessories. These products include humidifiers, such as the SULLIVAN HumidAire heated humidifier, which connect to the CPAP and VPAP systems to humidify the air delivered to the patient. Their use prevents the drying of nasal passages, which can cause discomfort. Other optional accessories include carry bags and breathing circuits.

Phil Lodge awoke to a chorus of forceful, impatient car horns that left him simultaneously startled and chagrined. Somewhat disoriented, it took him a moment to realize that he had fallen asleep behind the wheel of his car—again. "I took as many precautions as I could," says Lodge. "Still, there were times when I nodded off behind the wheel no matter what I tried."

Phil Lodge exhibited many of the symptoms of sleep apnea and would fall asleep behind the wheel of his car and in meetings with colleagues and clients. However, it took almost two years for physicians to correctly diagnose his sleep apnea. Now 48, Lodge has been benefiting from CPAP therapy every night for more than four years. "I noticed an improvement literally overnight," he exclaims. "The first night I used the machine was the first night in years that I was able to get eight solid hours of restful sleep." He also noted that he hasn't had a daytime sleepiness episode since he started therapy.

When recalling the difficulties he encountered in obtaining an accurate diagnosis of his condition, Lodge suggests that the severe and potentially dangerous side effects of OSA warrant an aggressive public information campaign. "We have programs and interventions for drugs, alcohol and other illnesses—we need one for obstructive sleep apnea."

Phil Lodge, Regional Sales Manager
for a US packaging company



Product Development

ResMed is committed to an ongoing program of product advancement and development. Currently, product development efforts continue to be focused on AutoSet technology, improved CPAP, VPAP, and mask systems, and manufacturing cost-reduction programs. Applications of the AutoSet technology are being applied not only to the clinical area of OSA, but also to SDB associated with stroke, congestive heart failure, and forms of respiratory insufficiency.

ResMed consults with physicians at major medical centers throughout the world to identify technology trends in the treatment of SDB. Some of these physicians currently serve on ResMed's Medical Advisory Board.

ResMed's marketing staff, direct sales force, manufacturers' representatives, patients, and network of distributors also identify new product ideas. Typically, ResMed's internal development staff then perform new product development. The company has multiple collaborative arrangements with researchers in tertiary institutions around the world such as the University of Sydney Medical School, as well as at other medical faculties such as Brown University, Edinburgh University, Oxford University, University of California San Diego, and the University of Essen. In the three fiscal years ended June 30, 2000, 1999 and 1998, the company spent \$8,499,000, \$6,542,000 and \$4,994,000 respectively, on research and development.



ResMed's custom-built breathing machine accurately simulates breathing patterns to test mask and flow generator function

Manufacturing Operations

ResMed's principal manufacturing facilities are located in Sydney, Australia. The manufacturing operations consist of assembly and testing of devices, molding of mask cushions, and printed circuit board assembly. Of the numerous raw materials, parts, and components purchased for the assembly of therapeutic and diagnostic sleep disorder products, most are off-the-shelf items available from multiple vendors. ResMed generally manufactures to its internal sales forecasts and fills orders as received. As a result, the company generally has no significant backlog of orders for its products. A quality control group performs tests at various steps in the manufacturing cycle to ensure compliance with the company's specifications.

ResMed is continually striving to maximize its manufacturing throughput and minimize overheads.

ResMed embraces World Class
Manufacturing (WCM) techniques
with its ResMed S6 CPAP
production line



Sales and Marketing

Using a network of distributors, independent manufacturers' representatives, and its direct sales force, ResMed currently markets its products in over 50 countries. ResMed tailors its marketing approach to each national market, based on regional awareness of SDB as a health problem, physician referral patterns, consumer preferences, and local reimbursement policies.

North America In the United States, ResMed's marketing activities are conducted through a field sales organization comprised of direct employees and manufacturer representatives. The United States field sales organization markets and sells products to more than 3,000 home healthcare dealer branch locations throughout the United States. ResMed also promotes and markets its products directly to sleep clinics. Patients diagnosed with OSA and prescribed CPAP treatment are typically referred by the diagnosing sleep clinic to a home healthcare dealer to fill the prescription. The home healthcare dealer, in consultation with the referring physician, will assist the patient in selecting the equipment, fit the patient with the appropriate mask, and set the flow generator to the prescribed pressure level. ResMed's Canadian and Latin American sales are conducted through independent distributors. Sales in North America accounted for 54%, 57%, and 52% of the company's total net revenues for the fiscal years ended June 30, 2000, 1999, and 1998, respectively.

Europe ResMed markets its products in most major European countries. It has fully owned subsidiaries in the United Kingdom, Sweden, Germany, and France, and uses independent distributors to sell its products in other areas of Europe. These distributors have been selected in each country based on their knowledge of respiratory medicine and their commitment to SDB therapy. In each country in which ResMed has a subsidiary, a local senior manager is responsible for direct national sales. In addition, a consultant in Switzerland assists in sales and marketing efforts for selected European countries.

ResMed's Executive Vice President coordinates all European distributors and, in conjunction with local management, the direct sales activity in Europe. Sales in Europe accounted for 35%, 34%, and 35% of ResMed's total net revenues for the fiscal years ended June 30, 2000, 1999, and 1998, respectively.

Australia/Rest of World Marketing in Australia and the rest of the world is the responsibility of the Executive Vice President based in Sydney, Australia. Sales in Australia and the rest of the world accounted for 11%, 9%, and 13% of the company's total net revenues for the fiscal years ended June 30, 2000, 1999, and 1998, respectively.



The final stage:
ResMed products are
packed prior to shipment

Medical Advisory Board

ResMed's international Medical Advisory Board (MAB) consists of physicians and scientists specializing in the field of SDB. Members meet as a group twice a year with members of ResMed's senior management and members of its research and marketing departments, to advise the company on technology trends in SDB and other developments in sleep disorders medicine. MAB members are also available to consult on an as-needed basis with senior management of the company. In alphabetical order, MAB members include:



Peter Farrell (center front) with ResMed's Medical Advisory Board (L to R) Neil Douglas, B. Tucker Woodson, Terence Davidson, Helmut Teschler, Michael Coppola, Colin Sullivan (absent: Claudio Bassetti, Nicholas Hill, Barry Make, J. Woodrow Weiss)

[Claudio Bassetti](#), MD, PhD, is currently Associate Professor at the University of Bern, where he is also the Neurological Director of the University Sleep Laboratory. He will shortly move to a full Chair at the University of Zurich.

A member of the American Academy of Neurology and the American Sleep Disorders Association, Professor Bassetti is also a member of the scientific board of the European

Sleep Research Society. He is on the editorial board of *Sleep Medicine* and *Swiss Archives of Neurology and Psychiatry*, and has produced over 100 publications.

Professor Bassetti is a leader in studying the implications of SDB on stroke.

[Michael Coppola](#), MD, is a leading pulmonary critical care and sleep disorders physician in private practice in Massachusetts. He is an attending physician at Baystate Medical Center and Mercy Hospital in Springfield, MA and a Fellow of the American College of Chest Physicians. He is Chairman of the Massachusetts Sleep Breathing Disorders Society. He is also the Medical Director of Winmar Diagnostics, an SDB specialty company, and Associate Clinical Professor of Medicine at Tufts University School of Medicine.

[Terence M. Davidson](#), MD, FACS, is Professor of Surgery in the Division of Otolaryngology—Head and Neck Surgery at the University of California, San Diego, School of Medicine. He is Section Chief of Head and Neck Surgery at the Veterans Administration San Diego Healthcare System and Associate Dean for Continuing Medical Education at the University of California at San Diego. He is also Director of the UCSD Head and Neck Surgery Sleep Clinic in La Jolla, CA.

[Neil J. Douglas](#), MD, FRCP, is Professor of Respiratory and Sleep Medicine, University of Edinburgh, an Honorary Consultant Physician, Royal Infirmary of Edinburgh and Director of the Scottish National Sleep Laboratory. He is

Dean of the Royal College of Physicians of Edinburgh and Vice Chairman of the UK Royal Colleges Committee of CME Directors, and a member of the Working Party on Sleep Apnea of the Royal College of Physicians of London. He is a past Chairman of the British Sleep Society and past Secretary of the British Thoracic Society. He has published over 200 papers on breathing during sleep.

[Nicholas Hill](#), MD, is Professor of Medicine at Brown University and Director of Critical Care Services at Rhode Island Hospital and Pulmonary Medicine at Miriam Hospital, both in Providence. He is a Fellow of the American College of Chest Physicians and a member of the Planning Committee for the American Thoracic Society. His main research interests are in the acute and chronic applications of noninvasive positive pressure ventilation for treating lung disease.

[Barry J. Make](#), MD, is Director, Emphysema Center and Pulmonary Rehabilitation National Jewish Medical and Research Center, and Professor of Pulmonary Sciences and Critical Care Medicine of the University of Colorado School of Medicine. He has served on numerous national and international committees for respiratory and cardiovascular diseases. His research and clinical work has resulted in a large number of publications on mechanisms, treatment, and rehabilitation of chronic respiratory disease.

[Colin Sullivan](#), MD, PhD, FRACP, FAA, is Chairman of the MAB and the inventor of nasal CPAP for treating obstructive sleep apnea. He is Professor of Medicine and Director of the David Read Research Laboratory and Director of the Australian Centre for Advanced Medical Technology at the Sydney University Medical School.

He is head of the Centre for Respiratory Failure and Sleep Disorders, as well as a thoracic physician at the Royal Prince Alfred Hospital. He is also Academic head of the Pediatric Sleep Laboratory, New Children's Hospital, and Sydney Children's Hospital. Professor Sullivan is a Fellow of the Royal Australian College of Physicians and Fellow of the Australian Academy of Science. He continues to contribute to ResMed's innovation, product development, and clinical testing.

[Helmut Teschler](#), PhD, MD, is Associate Professor and head of the Department of Respiratory Medicine and Sleep Medicine, Ruhrlandklinik, Medical Faculty, University of Essen, Germany. He is a Fellow of each of the following associations: German Pneumology Society, American Thoracic Society, European Respiratory Society, and American Sleep Disorders Association. He is an internationally recognized researcher in respiratory medicine and sleep disorders medicine.

[J. Woodrow Weiss](#), MD, is Associate Professor of Medicine and Co-Chairman of the Division of Sleep Medicine at Harvard Medical School, as well as Chief, Pulmonary & Critical Care Medicine, Beth Israel Deaconess Medical Center, Boston MA. Dr. Weiss is an internationally recognized researcher in sleep disorders medicine.

[B. Tucker Woodson](#), MD, FACS, is an Associate Professor of Otolaryngology and Communication Sciences at the Medical College of Wisconsin. He is a Fellow of the American Academy of Otolaryngology—Head and Neck Surgery and the American College of Surgeons. Dr. Woodson is the Director of the Medical College of Wisconsin/Froedert Memorial Lutheran Hospital Center for Sleep. He is active on multiple committees for the American Academy of Sleep Medicine and American Academy of Otolaryngology. His initial surgical training was with Dr. Fujita, the pioneer of uvulopalatopharyngoplasty to treat OSA. He has developed a research and teaching interest in improving surgical management of sleep apnea, notwithstanding his being a strong proponent of nasal CPAP therapy.

Stockholders' Information

Annual Meeting of Shareholders

The annual meeting of shareholders will be held on Monday, November 6, 2000 at 3.00pm at ResMed Corp, 14040 Danielson St, Poway CA 92064-6857 USA.

Market for the Company's Common Stock and Related Shareholders Matters

The company's shares are traded on the New York Stock Exchange (primary listing) and the Australian Stock Exchange under the symbol RMD. Previously ResMed was listed on the NASDAQ-AMEX national stock market under the symbol RESM. The Company began trading on the national over-the-counter market on June 2, 1995.

The Company does not intend to pay cash dividends with respect to its common stock in the foreseeable future. High and low closing sale price information for the company's common stock for the applicable quarters as shown.

	2000		1999	
	HIGH	LOW	HIGH	LOW
Quarter One	17.19	11.82	13.19	9.25
Quarter Two	23.13	12.75	23.62	10.59
Quarter Three	39.62	20.34	25.72	11.50
Quarter Four	38.05	22.00	18.56	9.87

Form 10-K

Copies of the ResMed, Inc annual report on Form 10-K, as filed with the Securities and Exchange Commission, are available upon request without charge. Please address written requests to Walter Flicker, Corporate Secretary, ResMed Inc, 14040 Danielson St, Poway, CA 92064-6857 USA.

Shareholder Inquiries

Contact Walter Flicker, Corporate Secretary, Resmed Inc, 14040 Danielson St, Poway, CA 92064-6857 USA Tel: 858 746 2400 or 800 424 0737 (using international access code +1 if outside US).

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Company Information on the World Wide Web

ResMed has a World Wide Website containing details about the Company, its products, OSA, and information for sleep professionals, as well as the latest Company news releases. You can visit the web site at <http://www.resmed.com>.

Other Financial Data

Security analysts and institutional investors are invited to contact Peter C. Farrell PhD, President, Tel: 858 746 2400 or 800 424 0737 (using international access code + 1 if outside US), Christopher G. Roberts PhD, Executive Vice President, Tel: +61 2 9886 5000 and Adrian M. Smith, Vice President, Finance and Chief Financial Officer, Tel: +61 2 9886 5000.

Transfer Agent and Registrar

Inquiries regarding transfer requirements, lost certificates and changes of address should be directed to:

American Stock Transfer and Trust Company 40 Wall Street, New York, NY 10005. Tel: +1 718 921 8275.



Legal Counsel

Latham and Watkins, 650 Town Centre Drive, Costa Mesa, CA 92626.

Independent Auditors

KPMG LLP, 750B Street, Suite 3000, San Diego, CA 92101.

ResMed lists on the NYSE
30 September 1999

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Board of *Directors*



Chairman of The Board

[Dr. Peter C. Farrell](#)
President, Chief Executive Officer,
ResMed, Inc.

Directors

[Donagh McCarthy](#)
Formerly President Renal Management
Strategies Inc., an affiliate of Baxter
Healthcare Corporation. Currently
consulting in the healthcare field

[Gary W. Pace PhD](#)
President and Chief Executive Officer,
RTP Pharma, Inc. (a biopharmaceutical
research corporation)

[Michael A. Quinn](#)
Formerly CEO of a medical device
company. Director of listed and unlisted
companies

[Dr. Christopher G. Roberts](#)
Executive Vice President, ResMed, Inc.

Officers

<i>Name</i>	<i>Position</i>
Mark Abourizk	Vice President, Intellectual Property and Legal Affairs (Asia Pacific)
Dr. Michael Berthon-Jones	Vice President, Clinical Research
Don Darkin	Vice President, Product Development
David D'Cruz	Vice President, Quality Assurance and Regulatory Affairs
Norman DeWitt	General Counsel
Walter Flicker	Corporate Secretary
Robert Frater PhD	Vice President, Innovation
Elliott Glick	Vice President, US Operations
Curt Kenyon	Vice President, US Sales & Marketing
Brett Lenthall	Vice President, Information Systems
William Nicklin	Vice President, Manufacturing
Ron Richard	Vice President, US Marketing
Klaus Schindhelm PhD	Vice President, Operations
Adrian Smith	Vice President, Finance and Chief Financial Officer
Deirdre Stewart PhD	Vice President, New Business Development and Clinical Education and Training
Jonathan Wright PhD	Vice President, Global New Business

Ten Year Financial Summary

(In thousands, except per share data)

Year ended June 30

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Net revenues	115,615	88,627	66,519	49,180	34,562	23,501	13,857	7,650	3,356	1,635
Income from operations	33,138	25,255	17,363	8,327	3,595	2,787	1,289	637	(95)	(409)
Income before income taxes	34,166	24,577	16,112	11,087	6,561	3,781	1,831	1,205	315	(115)
Net income	22,226	16,102	10,611	7,465	4,503	2,833	1,232	846	315	(115)
Basic earnings per share	0.74	0.55	0.37	0.26	0.16	0.19	0.10	0.09	0.04	(0.02)
Diluted earnings per share	0.69	0.52	0.35	0.26	0.16	0.16	0.09	0.06	0.02	(0.01)

As at June 30

	2000	1999	1998	1997	1996	1995	1994	1993	1992	1991
Working capital	47,550	32,529	32,759	34,395	30,844	27,354	5,010	2,589	1,501	1,166
Long-term debt	—	—	—	274	578	787	386	163	218	262
Shareholders' Equity	93,972	71,647	50,773	44,625	38,986	28,867	5,630	2,895	1,689	1,257
Total Assets	115,594	89,889	64,618	54,895	47,299	35,313	9,608	5,173	2,886	2,004





ResMed S6 Elite

90, 91, 92

Business

- 90 First sales in Europe
 - Medtronic, Inc. invests \$1 million for North American & European distribution rights
- 91 Australian Government National Procurement Development Grant
- 92 Medtronic distribution agreement terminated
Direct distribution to US market

New Products

- 90 APD1E CPAP device
- 91 APD2 CPAP device
 - Bubble Mask - Series 2
 - Hygroscopic Passive Humidifier
- 92 HC100 active humidifier

Awards

- 90 Austrade International Business Development Grant
- 91 Australian Chamber Manufactures Small Business Achievement Award
 - Austrade International Business Achievement
- 92 Austrade Exporter of the Year Awards Finalist

93, 94, 95

Business

- 93 Nomura Jafco invests
- 94 ResCare group incorporates as Delaware Corporation
- 95 Company name changed to ResMed
 - Lists on NASDAQ, raising US\$24 million

New Products

- 93 Bubble Mask - Series 3
 - Constant CPAP (Germany)
 - ResCap headgear
 - SULLIVAN III CPAP device
- 94 AutoSet Clinical device
 - Bubble Mask - Series 3
 - Infant Mask
 - SmartStart
 - SULLIVAN IV CPAP device
 - VPAP bilevel device
- 95 Alert CPAP device
 - AutoSet Portable device
 - Modular Mask frame
 - Pediatric CPAP device
 - SCAN software
 - SULLIVAN V CPAP device
 - UCU (Universal Control Unit)

Awards

- 95 Australian State Exporter of the Year Award

96, 97

Business

- 96 ResMed Priess GmbH & Co established in Germany
 - ResMed SA established in France
- 97 Liquid silicone manufacturing assets of TQR Pty Ltd acquired
 - Awarded \$2 million competitive Government R & D Grant
 - NSW State Government offers financial assistance for the expansion of Sydney manufacturing plant
 - Acquires Innovamedics for direct distribution in SE Asia

New Products

- 96 Comfort device
 - ResCap II headgear
 - VPAP II bilevel device
- 97 AutoSet Portable II
 - HumidAire active humidifier
 - Mirage mask
 - SCAN 2.0
 - UCU 2

Awards

- 97 Dr. Peter Farrell receives David Dewhurst Award for significant contributions to biomedical engineering
 - Named by Deloitte & Touche as one of the Technology Fast 500 (received again in 1998)
 - Ranked 172 by Forbes Magazine in the 200 Best Small Companies in America
 - Australian Venture Capital Award (Best Expansion Phase Investee Company category)



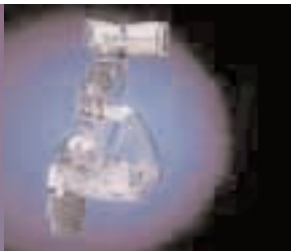
AutoSet T



ResControl



Embla



UltraMirage mask

98, 99

Business

- 98 Construction of new Australian premises begins
3 year agreement signed with Invacare Corp. for distribution of selected products in the US
2-for-1 stock split announced
- 99 Critical Care Concepts Inc. (3Ci) - US primary hospital sales and distribution partner
Acquires holding in Flaga hf becoming US distributor of Embla sleep diagnostic equipment

New Products

- 98 ~~AutoSet~~ Clinical II device
AutoSet Portable II Plus device
VPAP II ST-A& VPAPMAX bilevel devices
- 99 AutoSet T & AutoSet PDS devices
Mirage Full Face mask
ResControl

Awards

- 98 Dr. Peter Farrell named San Diego's Entrepreneur of the Year in Health Sciences
Ranked 63 by Forbes Magazine in the 200 Best Small Companies in America
Wins NSW Exporter of the Year Award across all industry categories
- 99 Ranked 67 by Business Week as one of the 100 Hottest-Growth Companies (\$25m to \$500m annual sales) in the US
Ranked 94 by Fortune as one of America's 100 Fastest-Growing Companies

2000

Business

- 00 Begins trading on the New York Stock Exchange (NYSE)
Secondary listing of common stock on the Australian Stock Exchange (ASX)
2-for-1 stock split
Enters into partnership with US National Stroke Association
Purchases business activities of Swedish distributor Einar Egnell AB

New Products

- 00 S6 CPAP system
UltraMirage mask
Enhanced AutoSet T
Enhanced VPAP
AutoScan
Embla Sleep Recorder
Mirage Disposable Full Face mask

Awards

- 00 Ranked 58 in Business Week as one of the 100 Hottest-Growth Companies (\$25m to \$500m annual sales) in the US
Wins two Australian Technology Awards for excellence; the first in the Development of Biotechnology, Pharmaceutical Technology and Medical Instrumentation, and the second in the globalization of technology pioneered in Australia
Ranked 96 by Fortune as one of America's 100 Fastest-Growing Companies (Sept. issue)

AutoScan, AutoSet, AutoSet CS, AutoSet T, AutoView, AutoVPAP, Bubble Cushion, Bubble Mask, HumidAire, IPAP Min, Mirage, ResCap, ResControl, ResMed, SCAN, SmartStart, S6, SULLIVAN, Ultra Mirage, VPAP, and VPAP MAX are trademarks of ResMed Ltd.

RESMED

Trollhättan

Sydney

Singapore

San Diego

Oxford

Mönchengladbach

Lyon

Kuala Lumpur

Auckland