ResMed's Mission Statement

Continue global leadership in sleep medicine based on innovative technology advancing the diagnosis, treatment, and management of sleep-disordered breathing.

Corporate Aims and Objectives

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, Switzerland, Sweden, Singapore, New Zealand, Netherlands, Malaysia, Germany, France, Australia, and Austria and through a network of distributors in over 47 other countries.

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

Contents

Cover: healthy sleep for a healthy life

You can't be healthy unless your sleep is healthy. The vital role that sleep plays in good health and well-being is only now being recognized. Sleep is just as important as physical fitness and good nutrition.

Sometimes I'd fall asleep at work

Often I would feel exhausted

business overview

ResMed is a leading developer, manufacturer, and marketer of innovative products for diagnosing, treating, and managing sleep-disordered breathing (SDB). SDB includes obstructive sleep apnea (OSA) and related respiratory disorders that occur during sleep.

ResMed employs approximately 950 people in ten regions and distributes to over 60 countries. In fiscal 2001, ResMed sales were $155 million, and operating cash flow was $30 million. The company has a history of solid financial performance. Since listing in June 1995, ResMed has met or exceeded First Call Consensus earnings per share estimates for 25 consecutive quarters and has maintained a growth rate in excess of 30% per annum in revenues and net income (excluding recent MAP acquisition charges).

Since formation in 1989, the company has maintained its focus on the under-penetrated but strongly growing SDB market. Led by a strong, experienced management team and Medical Advisory Board, ResMed has undertaken a productive research and product development effort and significant geographic expansion. These factors, together with increased awareness of SDB as an important health concern, have fueled the company's rapid growth.

In February 2001, ResMed acquired MAP Medizin-Technologie GmbH. MAP is the leading German designer, manufacturer, and distributor of medical devices for the diagnosis and treatment of SDB, with a particular focus on OSA. This acquisition enhances the company's position in Europe, particularly in Germany, the second largest market worldwide for OSA products.

The SDB market

The market for SDB therapies is large and relatively undeveloped. In its "Wake Up America" report to Congress in 1993, the National Commission on Sleep Disorders Research estimated that approximately 40 million individuals in the United States suffer from chronic disorders of sleep and wakefulness, such as sleep apnea, insomnia, and narcolepsy.

SDB is an umbrella term that encompasses all physiological processes that cause detrimental breathing patterns during sleep. Manifestations of SDB include OSA, central sleep apnea (CSA), and hypoventilation syndromes that occur during sleep. Hypoventilation syndromes are generally associated with obesity, chronic obstructive pulmonary disease (COPD), neuromuscular disease, and upper airway resistance changes.

Waking up to sleep

While the importance of good nutrition and physical fitness has long been recognized, the vital role that sleep plays in good health is only now being acknowledged. The consequences of SDB can severely affect health and mortality, yet awareness among primary care physicians is low. As a result, patients often find themselves receiving treatment for other conditions when the cause of their symptoms originates in their sleep.

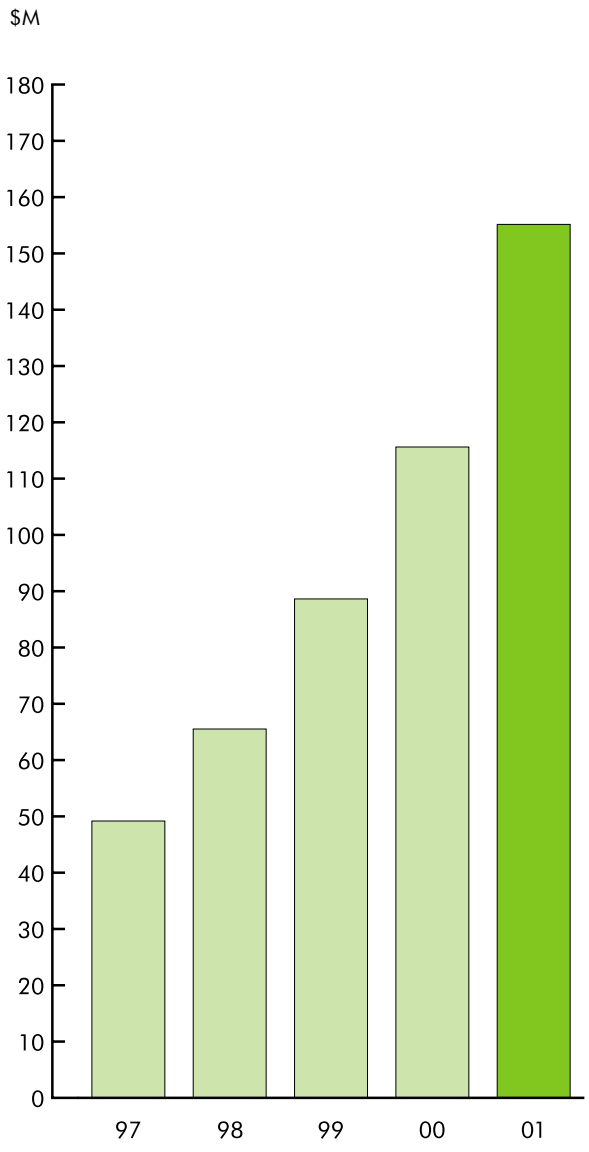
Treating SDB as part of disease management in a range of diseases is of primary importance. Several recent studies have shown that SDB is strongly associated with hypertension, the leading risk factor for the development of both stroke and congestive heart failure (CHF). In addition, over 60% of post-stroke patients and 50% or more of patients with CHF have SDB.

The risk of developing hypertension, a major risk factor for cardiovascular and cerebrovascular disease, is two to three times higher in patients with OSA.

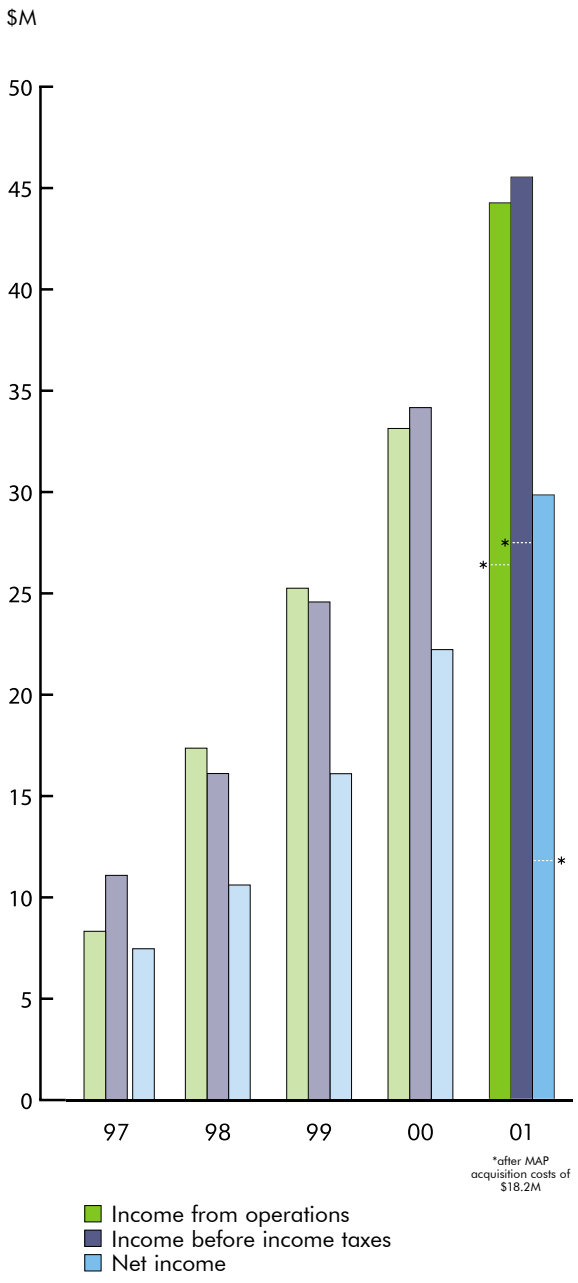
Peppard et al. *New England Journal of Medicine* May 2000

financial summary

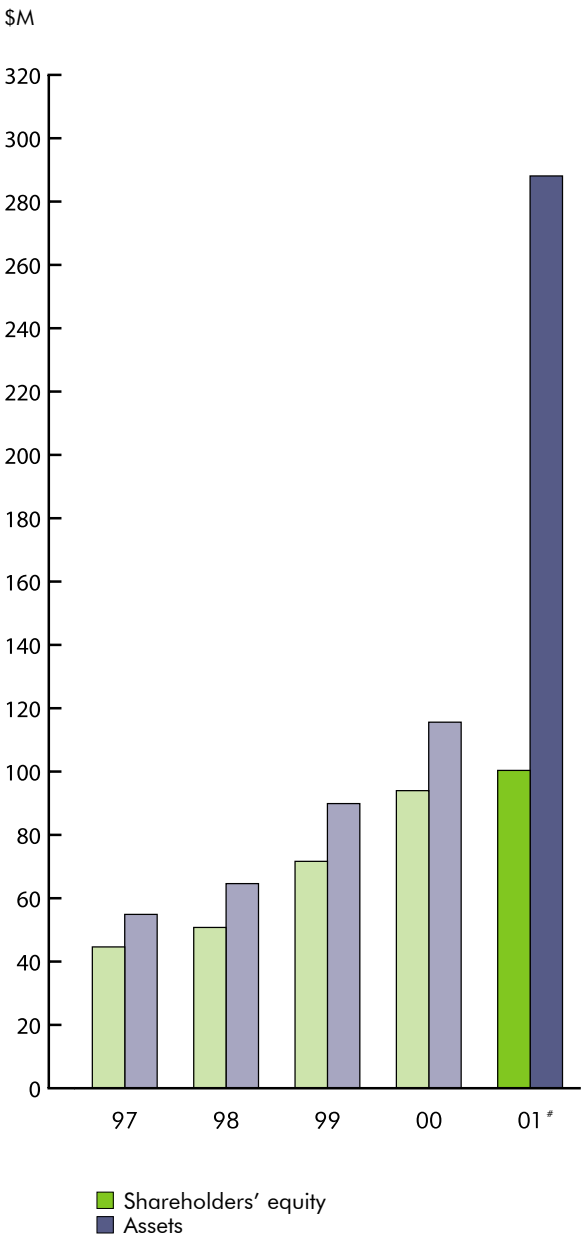
Net revenue



Income

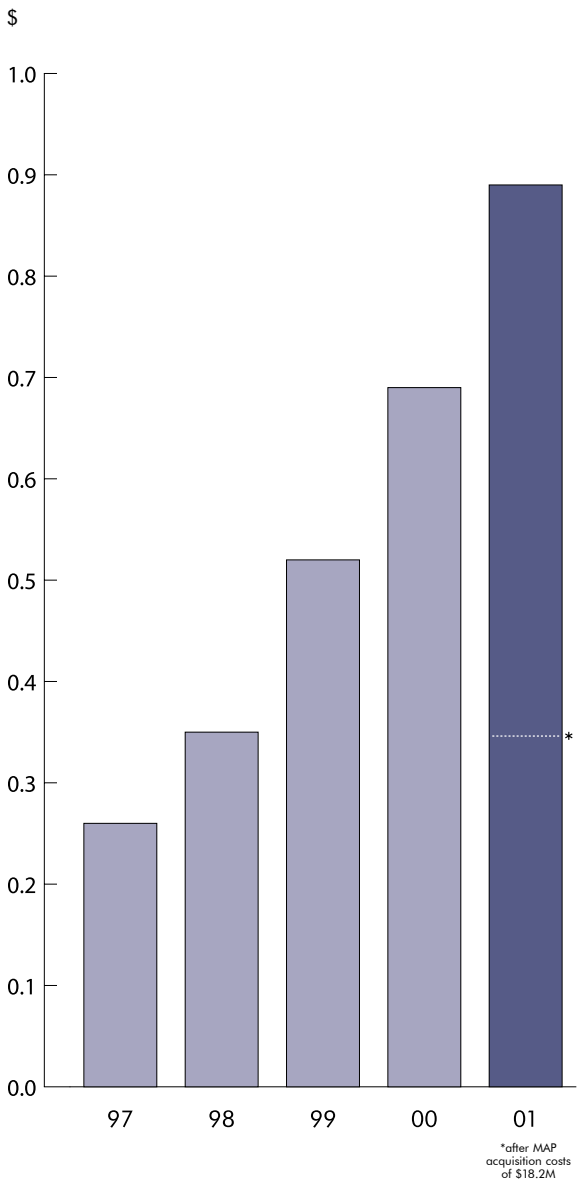


Assets and shareholders' equity



#Gross assets include $61M of assets due to MAP acquisition. Shareholders' equity is net of $18.2M of costs associated with MAP acquisition.

Net income per common share and equivalent



2001 highlights

August 2000

Listed by *Fortune* magazine as one of the *100 Fastest Growing Companies in the US* for second consecutive year.

October 2000

Listed by *Forbes* magazine as one of the *200 Best Small Companies in America* for fourth consecutive year. Ranked #34.

November 2000

ResMed Chairman Peter Farrell received AT&T International Business Leadership Award 2000 from the San Diego World Trade Center.

January 2001

Ranked #1 Medical Products Company by *Investor's Business Daily*.

Embletta Portable Diagnostic System (PDS) introduced.

February 2001

Acquired MAP Medizin-Technologie GmbH, Munich, Germany.

June 2001

Issued $180 million through private placement of convertible subordinated notes due 2006.

July 2001

Listed by *Fortune Small Business* magazine as one of *America's 100 Fastest Growing Small Business Companies*. Ranked #30.

August 2001

Listed by *Business Week* as one of the *100 Hottest-Growth Companies* for the third consecutive year. Ranked #31.

Above: MAP executives Harald Vögele, Stefan Madaus, and Caspar Stauffenberg

chairman's report

It is with distinct pleasure that I write the Chairman's report for fiscal 2001, our 12th year of operations. We had a great year in 2000. In fact we have had a great decade, and our success in fiscal 2001 in growing our sleep business as profitably as we did should provide considerable encouragement to all ResMed shareholders and staff as we go forward. The company grew 34% at the top line to finish with net revenues of $155.2 million; excluding acquisitions costs, we also grew 34% at the bottom line to a net income of $29.9 million, while maintaining a gross margin of 67.5%. Earnings per share, again exclusive of acquisitions, was $0.89 on a fully-diluted basis compared to $0.69 per share in fiscal 2000, an increase of 29%. An excellent performance.

In addition, the ratio of net income to revenues at 19.3% was virtually identical to the 19.2% we achieved in fiscal 2000. And, very encouragingly, we finished the year with days sales outstanding of 60 days, due primarily to increased efforts, which were focused on US receivables. Several new products were also released during the year, and one of the real success stories was our *Ultra* Mirage nasal mask interface which, although only released into the US market in the June 2000 quarter, became the second most popular medical product in *HomeCare*'s catalog in terms of requests for literature and information. In short, we had another excellent year, and once again I would like to acknowledge the dedication and teamwork of my colleagues, particularly ResMed's sales and marketing executives who grew their respective revenue lines as well as they did. I will now highlight further milestones and then address what I see, in the near-term crystal ball, for sleep-disordered breathing (SDB).

One of the major commercial steps we took during fiscal 2001 was the purchase of MAP Medizin-Technologie GmbH (MAP), a private SDB company based in Munich, Germany. The total purchase price, including legal, accounting, and other expenses associated with the transaction, was approximately $70 million, or about three times MAP's revenue base. The June 2001 quarter was our first full quarter with MAP on board; our top-line growth was an impressive 49%, quarter on year-ago quarter; even without MAP our revenue growth was still an impressive 31%, in line with our expectations.

We are very pleased with the MAP acquisition, which was finalized in February of this year; we are meeting our goals to reduce expenses, particularly with the closure of MAP's money-losing French operations, and we are also meeting revenue growth expectations. One of the reasons for this is the excellent cooperation of MAP's senior management: Dr Stefan Madaus, Harald Vogele, and Caspar Stauffenberg; we appreciate their support. In the

The triumvirate of health proposed by Dr. William C. Dement,

Director, Stanford Sleep Disorders Clinic and Research Center, Stanford University, USA

March quarter, we wrote off $17.7 million of in-process MAP R&D and took a restructuring charge of $0.6 million to close MAP's French operation; the closure was completed in June 2001. This reduced ResMed's net income for fiscal 2001 to $11.6 million or $0.35 per share on a fully diluted basis.

In order to pay for MAP, and to provide funds for future initiatives, we completed a $180 million convertible bond issue, including $30 million in over-allotment. The offering was ably managed by Merrill Lynch and Deutsche Bank with the further help of William Blair & Co., Macquarie Bank, and UBS Warburg. The five-year bond offering was keenly priced with a coupon rate of 4%, a three-year makewhole call at 150% of the conversion price and a 20% share premium for the conversion price; the conversion price ended up at $60.60 based on a closing share price of $50.50, at the time of the offering. Our goal was to place at least 50% of the bonds outside the US market and to do it efficiently with minimal share price impact. Our goals were more than met: the offering was completed in three days on three continents; the share price fell only 2% during the marketing phase; and non-US placement was over 55%. The $30 million green shoe was booked in July and is, therefore, not reflected in the accompanying balance sheet. The successful convertible bond issue allowed us to pay off all of the MAP debt and has left us with close to $130 million in cash and marketable securities to provide us with on-going financial flexibility.

For the past two years, I have referred to the triumvirate of health proposed by Stanford's Dr. William C. Dement. At the risk of sounding like a broken record, I emphasize its importance once again. Sleep is equally important to our physical well-being as adequate nutrition and physical activity. And this message is finally being heard. At Harvard Medical School and the University of Pennsylvania Medical School, separate divisions of sleep medicine have been set up. In addition, the worldwide public health concern with the level of untreated SDB, and its major manifestation, obstructive sleep apnea (OSA), is alive but perhaps not so well; the rate of diagnosis and treatment still lags incidence, so the problem is getting worse rather than better. Even without a full-court press, the global market is growing at around 20%; however, this growth in treatment initiation is nowhere near enough to deal with an issue which was described over eight years ago in a *New England Journal of Medicine* editorial (April, 1993) as a major public health problem on a level

Michael Massie
stroke victim, Australia

Michael Massie, age 42, was already suffering from high blood pressure and a stress related illness when he had a stroke in July 1999. He spent the following year in a rehabilitation ward learning how to walk, talk, and look after himself.

Night staff in the ward observed that Michael snored loudly and stopped breathing for long periods of time while asleep. He would wake suddenly with a fright and on occasion became agitated. During the day, he was very sleepy and reluctant to take part in therapy.

At the time, research into sleep apnea was being undertaken in the ward. Michael was diagnosed with OSA and started on a ResMed AutoSet T while hospitalized. His drowsiness decreased significantly, and he was more able to engage in his rehabilitation therapy.

Michael's health is now stable, and he lives at home with family and community support.

equivalent to that of tobacco smoking. So what needs to be done? As I have stated before, the major problem is still one of raising public and physician awareness to the dangers of untreated SDB because of its profound connection with hypertension, the concomitant risk of premature death, and the deleterious impact of untreated SDB on quality of life.

The number one risk factor for both stroke and congestive heart failure (CHF) is hypertension. And it is well to remember that heart disease is the number one killer and the third most important cause of morbidity, while stroke is the number three cause of death and the number one cause of morbidity. Given these statistics, and the fact that SDB has been variously estimated as being prevalent in 50% to 80% of CHF and stroke sufferers, it is a *sine qua non* that these patients be diagnosed and treated for their SDB. This is not only because of the stated impact of untreated SDB on quality of life, but because of the serious cardiovascular consequences of having combined SDB and hypertension coupled with a serious co-morbidity, such as stroke or CHF. The latter circumstances will almost certainly result in an early exit from life's freeway for these patients. It is, therefore, vital that the medical community (particularly stroke neurologists, cardiologists, and rehabilitation physicians) be alerted to the issue of untreated SDB and its grossly deleterious consequences. I will come back to this theme.

Furthermore, it is imperative that patients with neuromuscular and motor neurone diseases as well as chronic obstructive pulmonary disease (COPD) also be tested for SDB/OSA. Specifically, patients with COPD, muscular dystrophy, kyphoscoliosis, multiple sclerosis, and amyotrophic lateral sclerosis (ALS) often have horrific sleep architecture, due to both their disease and the fact that a lot of them have concomitant SDB; the diagnosis of the latter is hugely important to both the morbidity and mortality of people with these disease states. Unfortunately, the progress being made in addressing these problems is way too gradual, but the medical literature is beginning to alert the wider medical community to the importance of the issue.

We continue to make excellent progress with respect to both CHF and stroke and the clinical connection with SDB. Oxford has just completed a randomized controlled trial (RCT) of 30 patients treated with ResMed's AutoSet CS against sham treatment. We eagerly await their results. And in another large RCT, shortly to be published in

Walter Pfeffer
heart failure patient, Germany

Eighteen years ago, heart illness forced 50-year-old Walter to retire from his job because he could no longer cope with the physical demands. Then a few years ago he started to suffer from severe fatigue during the day, which finally made it impossible for him even to chat with friends without repeatedly and abruptly falling fast asleep. Having less and less energy and motivation, increased problems concentrating, and cognitive difficulties as well, he became increasingly reclusive. He completely abandoned his hobbies and no longer went on holiday.

About one year ago Walter went to see a doctor about his heart condition and was assessed for sleep disorders for the first time. The study revealed that he suffered from Cheyne-Stokes respiration during sleep.

Walter started therapy using ResMed's AutoSet CS, which rapidly improved his quality of life. The fatigue symptoms during the day improved dramatically and his general state of health stabilized so much that in recent months Walter has been able to take part in light recreational sports again and has already planned his next holiday.

The Lancet, the Oxford group has shown that nasal CPAP significantly lowers blood pressure, in an intention to treat study, and the effect was even more pronounced when subjects were on antihypertensive therapy. In addition, we now have over 150 CHF patients on AutoSet CS in Europe. We continue to learn as we initiate further treatment of CHF patients with AutoSet CS. Very encouraging sets of results have been obtained in Germany on small numbers of patients. For example, over three to six months in compliant CHF patients, it has been observed that maximum oxygen uptake, six minute walk and left ventricular ejection fractions have significantly improved, in some cases by in excess of 30%. We look forward to receiving further feedback as these studies progress. In addition, we have begun a prospective FDA trial on CHF patients using AutoSet CS, compared with conventional oxygen therapy, at six sites across the US. It is early days, but we remain optimistic about the potential.

On the stroke front progress continues, albeit at a somewhat slow pace. There is certainly interest by neurologists in the SDB space; for example, ResMed, in its relationship with the US National Stroke Association (NSA), sponsored a two-hour seminar on SDB and stroke at the annual NSA meeting held last September in Toronto. Nearly 6% of the total neurologists in the United States attended this session; we are running a similar seminar this August at the annual NSA meeting to be held in San Diego. We expect even more interest by stroke neurologists in SDB, and it is our hope that there will soon be a subsequent substantial increase in both the diagnosis and treatment of SDB in stroke patients. What we have learned thus far is that treating patients in the acute phase of stroke is difficult and it seems as though diagnosis and treatment in the rehabilitation phase may make the most sense, at least in this initial phase of our work. At the moment we are actively working on some strategic alliances to address this problem.

What we can say is that the data we have seen thus far suggests that the best current basis for the treatment of SDB/OSA in both stroke and CHF is with ResMed's devices. These products incorporate our patented autotitrating algorithms (in AutoSet T and AutoSet CS) coupled with ResMed's mask interfaces. Furthermore, it is important to recognize that very sick patients cannot be easily handled by conventional sleep labs, either patients can't be easily moved from the ward or rehabilitation facility to a sleep lab, or the sleep lab is not capable of dealing with patients with such co-morbidities. In short,

Embletta portable diagnostic system

the sleep lab needs to be taken to the bedside. In this case, our portable sleep lab is Flaga's Embletta PDS. This device is a highly specific and sensitive nine-channel sleep diagnostic system with excellent software (Somnologica 3.0) and great portability. We look forward to progressing our global stroke and CHF initiatives.

Another area of great concern, which was recently highlighted in the British medical journal *Thorax*, is the danger of serious motor vehicle accidents in patients with undiagnosed OSA. There are now several dozen publications in the peer-reviewed literature emphasizing the severe dangers of individuals who drive while sleep deprived from untreated sleep apnea. There is little doubt that this is a major public health issue; data in the literature indicate that the frequency of traffic accidents in untreated sleep apnea sufferers varies from a factor of three to 12 times the normal accident rate, depending upon the study. The good news is that when the apnea is treated successfully with nasal continuous positive airway pressure (CPAP), the frequency of traffic accidents, in compliant OSA sufferers, is completely normalized. Insurers and motor vehicle authorities, among others, need to start seriously addressing the carnage and the cost on the nations' roads due to unrecognized sleep apnea sufferers.

As a cardiologist, I know the importance of aggressive treatment of sleep apnea. And as a patient, I know the difficulty in maximizing patient compliance due to uncomfortable masks, loud machines, and unnecessarily high pressures. I have tried many CPAP machines, and the ResMed AutoSet T is simply the "Lexus of the line": it is quiet, comfortable, and easy to use. I recommend it to my patients.
AD, Cardiologist, Michigan, US

This is certainly one area where it is high time to wake up to sleep.

One of the real challenges I alluded to was the unfortunate ignorance in the wider community concerning the importance of diagnosing and treating SDB. The major continuing issue here is one of education. However, when the horses of SDB finally bolt from the barn, as is widely expected, the sleep community runs the risk of being virtually overwhelmed by SDB patients. What is to be done? There's no question that current sleep labs will be buried under the increased diagnostic load, since many sleep centers currently have long waitlists. It would seem that the paradigm needs to drastically change to address the overwhelming prevalence and incidence of SDB. Legitimate concerns have been raised about the specificity and sensitivity of home sleep diagnostic testing. I believe that these concerns are currently minor ones for two reasons. First, technology has evolved to the point where the concerns of specificity and sensitivity are probably more imaginary than real; second, much cheaper and less sophisticated diagnostic technology can be used when a sleep physician is involved in the equation, since trained sleep physicians take a sleep history and use their clinical judgement in conjunction with the diagnostic sleep test. On top of this, the use of nasal CPAP for SDB is extraordinarily effective and does little harm if there were to be some unlikely false positives, assuming sleep-trained personnel remain involved. In short, in this instance diagnostic certainty is not needed. In this context, let me refer to a very *apropos* editorial, which Dr. Michael Coppola, a member of ResMed's

Medical Advisory Board, alerted me to earlier this year and which was published in the *New England Journal of Medicine* and authored by Dr. Jerome Kassirer (*NEJM* 320, 1489 (1989)). Let me quote Dr. Kassirer:

> *Excessive testing has many causes, besides the quest for diagnostic certainty. Some are a function of the forces imposed on the physician by our system of patient care–for example, pressure from peers and supervisors, the convenience with which tests are ordered, the demands of the patient or family, and the desire to avoid malpractice claims. Others stem from physicians' personal practices and whims–among them, curiosity about test results, ignorance of the characteristics of tests, financial motives, and irrational and ossified habits.*

Kassirer continued:

> *How should we handle uncertainty? To a large degree, the level of diagnostic certainty needed in decision-making is a function of the characteristics of available therapies. When a specific therapy is high in effectiveness and low in risk, one can tolerate substantial diagnostic uncertainty (and therefore avoid having to carry out many tests)–not only because the treatment cures the disease, but also because it will cause little harm to patients who do not have the disease. By contrast, any therapy that is not highly effective or that produces considerable morbidity must be given only when the level of diagnostic uncertainty is minimal.*

Dr Kassirer makes points that we believe the wider sleep community needs to consider in the context of undiagnosed SDB/OSA being a major public health problem that is not being adequately addressed by the current *modus operandi*. In short, how one should address a disease with a prevalence of almost 10% of the population is a very thorny issue deserving of serious debate. However, there is movement at the station. Todd Eiken, RPSGT, a sleep technologist who oversees a sleep center in Minnesota, is an advocate of home sleep studies done under the auspices of the sleep lab; he had previously started a home sleep-monitoring program when he worked for a sleep center in Alabama. His concern is that sleep labs can't possibly handle the needed load in the time available and that labs should take the initiative on home sleep testing. To quote him:

> *The sleep community as a whole should be the innovators and determine how home sleep testing should be used; there are benefits for everyone.*

It seems logical that home testing will occur and it should be overseen by sleep-trained personnel. The sleep lab ought to be the overseer of home-based studies; certainly the engagement of sleep labs in home testing would go a long way to addressing such a serious public health challenge.

ResMed is now approaching 1000 employees. Almost 50% of this year's additional staff was the 180 employees we gained from our MAP acquisition; the rest of the additions were to handle our continuing growth in all global markets. We have added four further record quarters during the last fiscal year so that ResMed has now managed a run of 25 quarters of record revenue and net income since we went public in June 1995. This welcome performance was due to the efforts of all employees; we welcome the new additions and thank both our new and old staff for their commitment and teamwork. I would also like to thank members of the Board of Directors for their input and support.

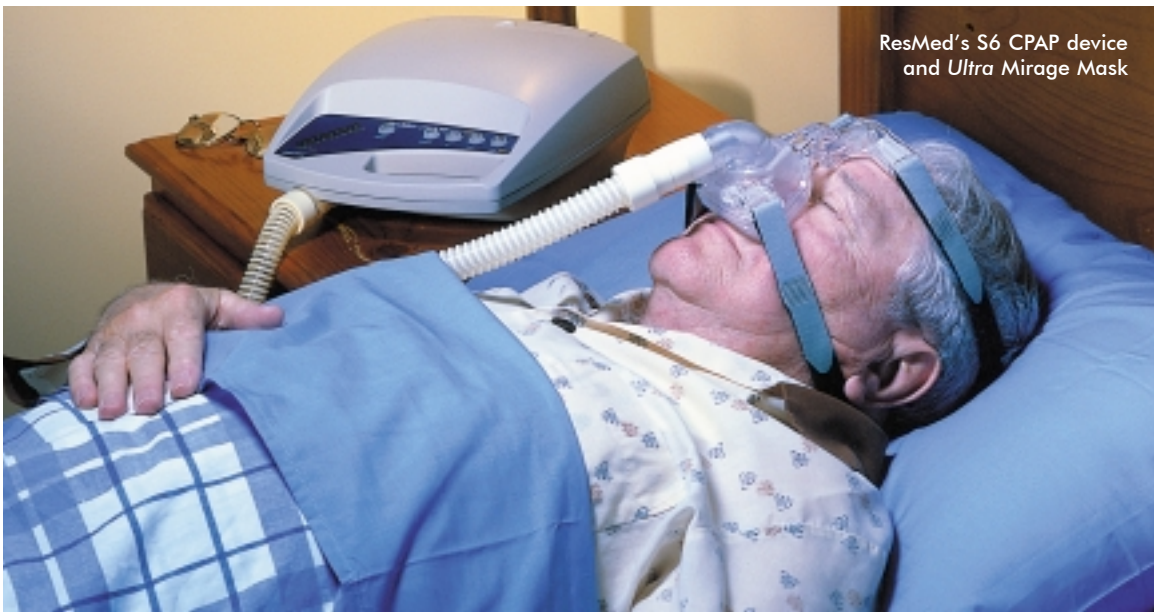
The Board was also delighted to welcome Dr. Christopher Bartlett, Professor of Business Administration at Harvard Business School. Chris is already making his Board presence felt in terms of helping the company address its strategic organizational needs as ResMed's global growth continues. Significant thanks are also due to our Medical Advisory Board whose input continues to be highly valued and regarded.

Once more ResMed was named by *Forbes* as one of the 200 Best Small Companies in America; in addition, ResMed was named by both *Business Week*, for the third consecutive year, and *Fortune Small Business* in their respective top 100 high growth business performers lists. We welcome this continuing recognition.

Finally, I would like to thank our shareholders for their support during this past fiscal year. We continue to examine a number of strategic growth opportunities where we believe our particular knowledge of sleep-disordered breathing could add significant value.

We will also continue to try to wake people up to the importance of healthy sleep. It is our ongoing mission.

strategic review



ResMed's S6 CPAP device and *Ultra* Mirage Mask

People with sleep apnea are 15 times more likely to be involved in a traffic accident.
Horstmann et al. *Sleep* 2000

ResMed believes that the SDB market will continue to grow due to a number of factors. These factors include increasing awareness of OSA and improved understanding of the role of SDB treatment in the management of cardiovascular disease. Areas of focus within cardiovascular disease include hypertension, stroke, and congestive heart failure. The company's strategy for expanding business operations and capitalizing on the growth of the SDB market 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. The company has been a leading innovator of products designed to more effectively treat sleep apnea, increase patient comfort, and encourage compliance with positive airway pressure therapy. At June 30, ResMed had over 400 patents granted or pending and over 100 registered designs worldwide. Up to 8% of revenues have been invested in research and development.

Expand geographic presence. ResMed sells its products in over 60 countries to sleep clinics, home healthcare dealers, and third-party payers. The company intends to increase sales and marketing efforts in its principal markets as well as expand its presence in new geographic regions.

78% of long-distance truck drivers have Obstructive Sleep Apnea.
Stoohs et al. *Chest* May 1995

Increase public and clinical awareness. ResMed intends to continue the expansion of promotional activities to increase awareness of SDB. These promotional activities target the population with a predisposition to SDB as well as primary care physicians and specialists, such as pulmonologists, cardiologists, and neurologists. In addition, the company also targets patient advocacy groups, including the US National Sleep Foundation, the US

Susana Lopez puts the finishing touches to a ResMed S6 CPAP

National Stroke Association, the American Heart Association, and the Australian National Stroke Foundation.

Expand into new clinical applications. ResMed continually seeks to identify new applications of its technology for significant unmet medical needs. The company maintains close working relations with prominent physicians to assist this process.

Leverage the experience of our management team and Medical Advisory Board. ResMed's senior management team has extensive experience in the field of SDB and in the medical device industry in general. The Medical Advisory Board is comprised of experts in the field of SDB, including Dr. Colin Sullivan, the inventor of nasal CPAP for the treatment of OSA. ResMed intends to continue leveraging the experience and expertise of these individuals, maintaining its innovative approach to developing products, and increasing awareness of the serious medical problems caused by untreated SDB.

Innovation, application, awareness, and presence in 2001

In fiscal 2001, ResMed focused significant attention on increasing its presence in Europe and expanding its presence in the SDB market around the world.

ResMed's acquisition of MAP, the market leader in Germany, has deepened the company's presence in Europe. The combination of MAP and ResMed Germany makes ResMed the largest sleep company in Germany, which has the second largest SDB market in the world. MAP's strengths in research and development, sales and marketing, and local distribution complement those of ResMed and will strengthen ResMed's market leadership position throughout Europe. The acquisition of MAP represents a significant step forward in ResMed's global strategy.

medical advisory board

Claudio Bassetti, MD, is a leader in studying the implications of SDB on stroke and is Head of the Neurology Clinic and Vice-Chairman of the Neurology Department at the University Hospital, Zurich. Dr. Bassetti is a member of the American Academy of Neurology, the American Sleep Disorders Association, and the scientific committee of the European Sleep Research Society (ESRS). He is also a member of several Swiss medical boards and sits on the editorial boards of Sleep Medicine, European Neurology, and Swiss Archives of Neurology and Psychiatry. He has produced over 100 publications.
(photo not available)

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, a sleep-disordered breathing 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 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 Vice President of the Royal College of Physicians of Edinburgh and Chairman of the British Sleep Foundation. 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 the 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 non-invasive positive pressure ventilation for treating lung disease.



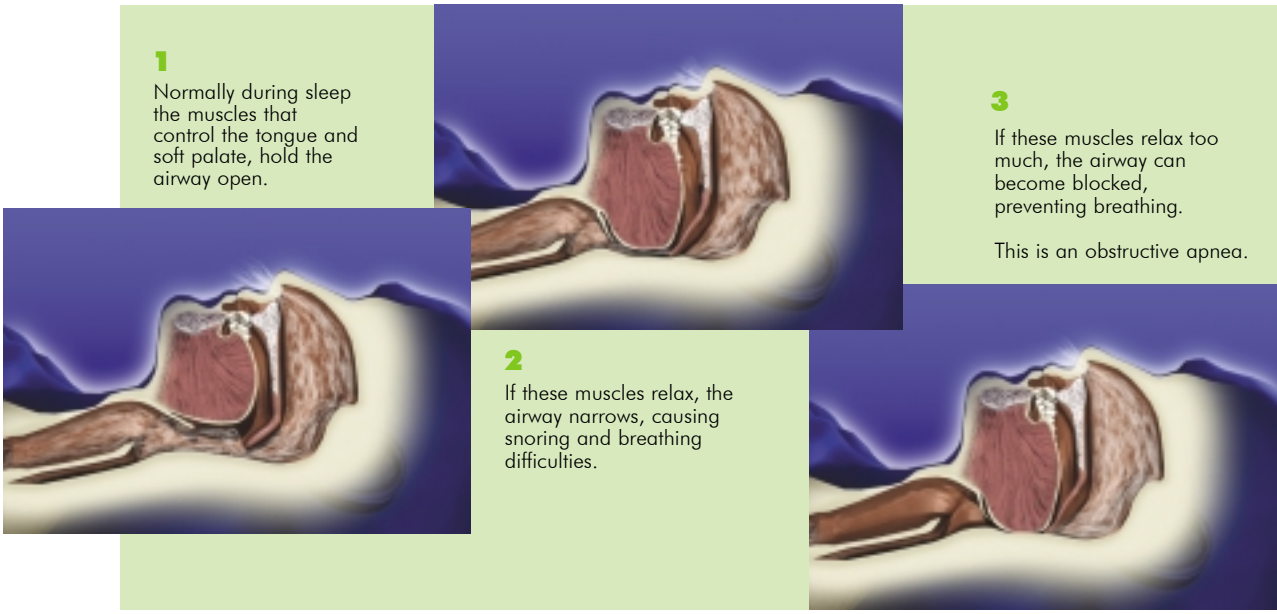

Barry J. Make, MD, is Director, Emphysema Center and Pulmonary Rehabilitation National Jewish Medical and Research Center and Professor of Pulmonary Sciences and Critical Care Medicine of the University of Colorado School of Medicine. He has served on numerous national and international committees for 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. *(photo not available)*

Colin Sullivan, MD, PhD, FRACP, FAA is Chairman of the MAB and inventor of nasal CPAP for the treatment of OSA. He is Professor of Medicine and Director of the David Read Research Laboratory and Australian Centre for Advanced Medical Technology at the Sydney University Medical School. He established the Centre for Respiratory Failure and Sleep Disorders at the Royal Prince Alfred Hospital, the Pediatric Sleep laboratories at the New Children's Hospital, and Sydney Children's Hospital. Dr. Sullivan is a Fellow of the Royal Australian College of Physicians and Australian Academy of Science. He has continued to contribute to ResMed's innovation, product development, and clinical testing.

Helmut Teschler, 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 Associate Professor of Otolaryngology and Communication Sciences at the Medical College of Wisconsin, a Diplomat of the American Academy of Sleep Medicine, and 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 also sits on multiple committees for the American Academy of Sleep Medicine and American Academy of Otolaryngology.



SDB explained

Obstructive sleep apnea (OSA). The upper airway has no rigid support and is held open by active contraction of upper airway muscles. Normally during deep sleep, these muscles relax and the upper airway narrows slightly. People with narrow upper airways and poor muscle tone, however, are prone to temporary upper airway collapses during sleep. A complete collapse is called an obstructive apnea, and a partial obstruction is referred to as a hypopnea. These breathing irregularities result in lowering of blood oxygen concentration, causing the central nervous system to react to the lack of oxygen or increased carbon dioxide and signal the body to respond. Typically, the individual subconsciously arouses from sleep, opening the upper airway. After a few gasping breaths, the individual slips back into sleep, and the process begins again.

Sleep fragmentation and the loss of the deeper levels of sleep caused by OSA can lead to excessive daytime sleepiness, reduced cognitive function (including memory loss and lack of concentration), depression, and irritability. OSA sufferers also experience increases in heart rate and elevations of blood pressure. Several studies indicate that the oxygen desaturation, increased heart rate, and elevated blood pressure caused by OSA may be associated with increased risk of cardiovascular morbidity and mortality due to angina, stroke, and heart attack. Patients with OSA have been shown to have impaired daytime performance in a variety of cognitive functions, including problem solving, response speed, and visual motor coordination. Studies have also linked OSA to increased occurrence of traffic and workplace accidents.

Generally, an individual seeking treatment for the symptoms of OSA is referred by a general practitioner to a specialist for further evaluation. The diagnosis of OSA typically involves monitoring the patient during sleep. During the testing, the respiratory parameters and sleep patterns are monitored along with other vital signs such as blood pressure, heart rate, and blood oxygen levels. These tests allow sleep clinicians to detect any sleep disturbances such as apneas, hypopneas, or sub-conscious awakenings.

The number of sleep clinics in the US alone has expanded from 100 in 1985 to over 2000 today. Almost 10% of the general adult population suffers from sleep disorders. Despite the high prevalence, very few of those affected have been clinically diagnosed. Healthcare professionals are often unable to diagnose OSA because they are unaware that such non-specific symptoms as fatigue, snoring, and irritability are characteristic of OSA.

Lynn Sawyer
obstructive sleep apnea patient, Australia

Sixty-three-year-old Lynn Sawyer only discovered he had sleep apnea two months ago after telling his cardiologist how tired and washed out he was feeling. Even after heart surgery, Lynn knew things were not right. A very active man all his life, Lynn was extremely tired all the time. Often he couldn't even stay awake at the dinner table. After a quick trip down the corridor from the cardiologist's rooms to the sleep physician, Lynn's life changed for the better. He was diagnosed with obstructive sleep apnea.

"I spent a night in a sleep laboratory, hooked up with leads and wires. The physician showed me two graphs of my sleep that demonstrated clearly how many times I was waking up throughout the night.

"He then sent me back to the sleep lab for a second night, this time on a CPAP machine. The difference was amazing! I literally leapt out of bed. I could feel the difference immediately.

"Now I'm a new man. I bounce out of bed. I feel great and have more energy and stamina," says Lynn.

While OSA has been diagnosed in a broad cross-section of the population, it seems predominant among obese, middle-aged men and those who smoke, consume alcohol in excess, or use muscle-relaxing drugs. In addition, patients being treated for certain other conditions, including those undergoing dialysis treatment or suffering from diabetes, may be medically predisposed to OSA.

The risk of motor vehicle crashes due to OSA is removed when patients are treated with CPAP.
C. F. George. *Thorax* 2001

Positive airway pressure therapy for OSA patients. Continuous positive airway pressure (CPAP) provides a non-invasive means of treating OSA. Dr. Colin Sullivan, the Chairman of ResMed's Medical Advisory Board, invented nasal CPAP as a treatment for OSA in 1980. Today, use of CPAP is generally acknowledged as the most effective and least invasive therapy for managing OSA.

During CPAP treatment, a patient sleeps with a nasal or full face mask connected to a small, portable airflow generator that delivers room air at a continuous positive pressure. The flow generator supplies just enough positive air pressure to prevent the upper airway from collapsing. Positive airway pressure applied in this manner acts like an "air splint" to keep the upper airway open and unobstructed.

ResMed's S6 range of CPAP systems has three models to suit different patient needs and is renowned for its small, elegant casing, extremely low noise, light weight, and exceptional reliability.

Positive airway pressure therapy and SDB in stroke patients. Positive airway pressure therapy has evolved in recent years with the introduction of ResMed's AutoSet T. AutoSet T automatically adjusts the amount of pressure to suit the patient's needs as they vary throughout the night due to sleep stage and body position. This form of customized treatment delivers lower mean pressures and is more comfortable than conventional CPAP. AutoSet T adapts to patients' needs as they vary from one night to the next over time. This means AutoSet T can be considered appropriate for treating SDB in patients who undergo dynamic changes in the severity of their OSA over time.

AutoSet T technology enables continuous tailoring of treatment and logging of clinical data so that patients

need not undergo additional titration studies as their pressure requirements change. Clinicians can gather 200 days of compliance data and 30 days of efficacy data to monitor and help patients through rehabilitation. ResMed has commenced trials for diagnosis and treatment of OSA in stroke and congestive heart failure patients with the AutoSet T at a limited number of key sites around the world. Moving forward, ResMed intends to further investigate the presence of SDB in patients with hypertension, stroke, and congestive heart failure.

Over 60% of stroke patients have SDB.
Bassetti et al. *Sleep* 1999

Positive airway pressure therapy for CHF patients. Around 60% of patients with congestive heart failure (CHF) have SDB. Of these, 36% manifest a serious condition known as Cheyne-Stokes respiration (CSR), 12% manifest OSA, and the rest manifest a combination of central and obstructive abnormal breathing (Lipkin et al. *Lancet* Aug 1999). With CSR, also known as periodic breathing, the patient's breathing continuously cycles between under-breathing (may stop altogether) and over-breathing.

ResMed's new AutoSet CS (not available for sale in the US, but currently undergoing FDA trials) is an automatically adjusting device designed to treat CSR, CSA, and OSA. The device automatically adjusts pressure on a breath-by-breath basis, delivering varying degrees of ventilatory assistance to stabilize breathing and reduce CSR. The AutoSet CS responds to the dynamic nature of these patients' disease states and recovery needs. The device is fully portable and has a number of features designed to improve patient comfort and compliance. Trials are showing that the AutoSet CS provides better control of CSR than other forms of respiratory therapy. In Germany, about 150 CHF patients have been treated with the AutoSet CS, and the initial results are extremely promising.

Positive airway pressure therapy for COPD patients. COPD (chronic obstructive pulmonary disease) is a group of diseases, the most common being chronic bronchitis and emphysema. The common characteristic of COPD is obstruction to the airflow in and out of the lungs. People with COPD may eventually require supplementary oxygen and rely on mechanical ventilatory assistance.

ResMed's VPAP devices deliver bilevel therapy, which involves two pressure levels: a higher level for inspiration and a lower level for expiration. Bilevel therapy is recommended for some OSA patients and for a range of COPD patients who require breathing assistance. ResMed manufactures five VPAP models for home, hospital, and acute care environments.

Innovation–the way forward. Positive airway pressure is not a cure but a therapy for managing SDB, and it must be used on a daily basis as long as treatment is required. Patient compliance has been a major factor in the efficacy of positive airway pressure treatment. Early generations of CPAP units provided limited patient comfort and convenience. Patients experienced soreness from the repeated use of poorly fitting nasal masks and had difficulty falling asleep with the CPAP device operating at the prescribed pressure. In recent years, product innovations have improved patient comfort and compliance.

Innovative products and features include more comfortable mask systems; delay timers, which gradually increase air pressure to allow the patient to fall asleep more easily; autotitrating systems such as AutoSet T; and heated humidification systems, such as ResMed's HumidAire, which makes the air from a CPAP system more comfortable to breathe.

Following the innovative Bubble Cushion technology released in 1991, ResMed released the Mirage Mask in 1997. The Mirage Mask uses the air from the flow generator to create a more comfortable and better seal. In 1999, ResMed launched the Mirage Full Face Mask, which provides an effective method of applying mechanical ventilatory assistance and can be used to address mouth leak in conventional bilevel or CPAP therapy. In 2000, the company released the *Ultra* Mirage Mask, the next generation of the Mirage nasal mask. It has been well received by both clinicians and patients. Now the company is releasing the next generation of the Mirage Full Face Mask.

In 2001, ResMed began distributing the Embletta PDS (portable diagnostic system), a fully portable diagnostic system used to screen for SDB in sleep clinics, hospitals, and patients' homes. This portable system gives sleep clinics and specialists the means to expand their capabilities and increase patient throughput.

operations review

AutoSet T product training at ResMed Germany

Product development

ResMed has a strong record of innovation in the sleep market. In 1989, ResMed introduced its first nasal CPAP device. Since then the company has been committed to an ongoing program of product advancement and development. Current product development efforts are focused on both improving current products and expanding into new product applications. In the three fiscal years ended June 30, 2001, 2000, and 1999, ResMed invested $11,146,000, $8,499,000, and $6,542,000 respectively, on research and development.

ResMed's mask systems are excellent examples of the company's commitment to product development. ResMed's engineers have integrated their research and development efforts with feedback from patients and professionals to maintain a constant evolution of quality and comfort in mask systems. ResMed's Mirage family of masks is among the most popular in the world.

Manufacturing

ResMed's principal manufacturing facility is located in Sydney, Australia. Sydney operations consist primarily of research, development, testing, manufacturing, and assembling of flow generators, masks, and accessories.

The newly acquired MAP German manufacturing operation is based in Munich. The products are primarily flow generators that have been developed by a small, internal team. The manufacturing process consists of major sub-assemblies produced externally by sub-contractors. Final assembly and testing of finished products is performed in-house.

Sales and marketing

ResMed currently markets its products in over 60 countries using a network of distributors, independent manufacturers' representatives, and a direct sales force. ResMed attempts to tailor its marketing approach to each regional market, based on local awareness of SDB as a health problem, physician referral patterns, consumer preferences, and local reimbursement policies.

North America and Latin America. In the United States, sales and marketing activities are conducted through a field sales organization made up of regional territory representatives, program development specialists, diagnostic system specialists, regional sales directors, and independent manufacturers' representatives.

ResMed also promotes and markets its products directly to sleep clinics. Patients who are diagnosed with OSA and prescribed CPAP treatment are typically referred by the

World Class Manufacturing techniques improve efficiency on the ResMed S6 CPAP line

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 pressure to the prescribed level.

Canadian and Latin American sales are conducted through independent distributors. Sales in North America and Latin America accounted for 52%, 54%, and 57% of net revenues for the fiscal years ended June 30, 2001, 2000, and 1999, respectively.

Europe. ResMed markets its products in all major European countries. The company has wholly owned subsidiaries in the United Kingdom, Switzerland, Sweden, Germany, France, and Austria, and uses independent distributors to sell products in other areas of Europe. Distributors are selected in each country based on their knowledge of respiratory medicine and a commitment to SDB therapy. In subsidiaries, a local senior manager is responsible for direct national sales. MAP conducts its sales efforts through a direct sales force and subsidiaries in Germany, Austria, the Netherlands and Switzerland.

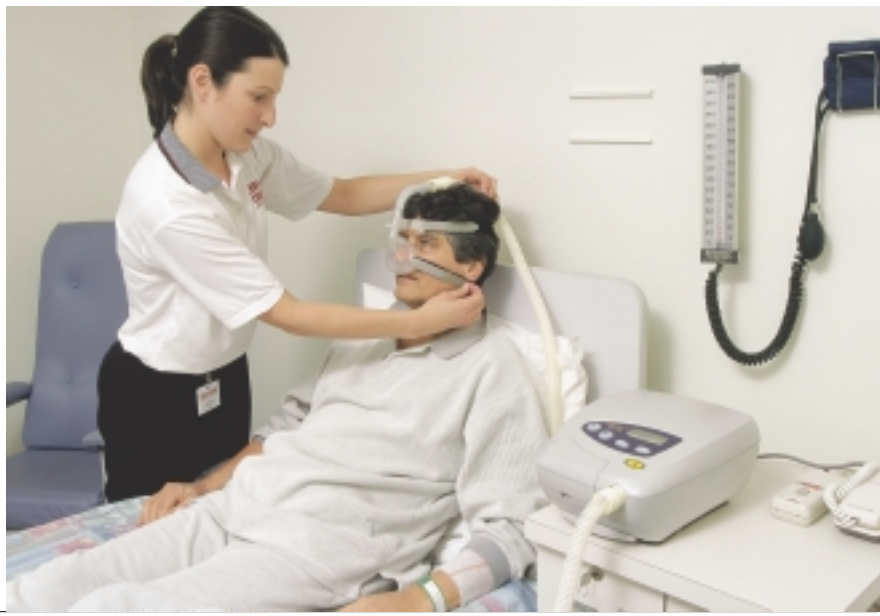
ResMed's Executive Vice President is responsible for coordination of all European activities and, in conjunction with local management, the direct sales activity in Europe. Sales in Europe accounted for 39%, 35%, and 34% of net revenues for the fiscal years ended June 30, 2001, 2000, and 1999, respectively.

Asia Pacific/rest of world. Marketing in Australia and the rest of the world is the responsibility of the Executive Vice President. Sales in Australia and the rest of the world accounted for 9%, 11%, and 9% of net revenues for the fiscal years ended June 30, 2001, 2000, and 1999, respectively.

Strategic partnerships. In addition to internal sales efforts, ResMed works with the following organizations to promote public and clinical awareness of SDB and OSA:

US National Stroke Association and Australian National Stroke Foundation. ResMed has developed strategic alliances with the US National Stroke Association and the Australian National Stroke Foundation to increase awareness about the high prevalence of SDB in the stroke survivor population. ResMed is working on a number of programs, including a symposium on stroke and SDB at this year's North American Stroke Meeting.

American Heart Association. ResMed is working with the Western Affiliates of the American Heart Association on a number of local programs to increase awareness and education about SDB.



Physiotherapist Julie Skelton fits a patient with a ResMed Mirage Mask at Cedar Court Healthsouth Rehabilitation Hospital, Melbourne, Australia

US National Sleep Foundation. The US National Sleep Foundation is a nonprofit organization dedicated to improving public health and safety by raising the level of awareness and education toward sleep related programs and research. ResMed has been an active corporate partner and has supported the National Sleep Foundation for a number of years.

ResMed believes that its affiliations and continued work with these organizations raises the awareness of SDB as a significant health concern.

Cedar Court Healthsouth Rehabilitation Hospital. Cedar Court, in Melbourne, Australia, is set to open one of the first dedicated on-site sleep clinics within the rehabilitation environment. ResMed is sponsoring one of the two beds; both beds will be fitted with a ResMed Embla sleep recorder as well as an AutoSet T. ResMed will capitalize on this experience in its endeavor to globally expand the rehabilitation OSA market.

People

As of June 30, 2001, ResMed had approximately 950 employees, of which approximately 37% were employed in warehousing and manufacturing, 14% in research and development, 29% in sales and marketing, and 20% in administration and information technology. The company's employees and consultants are primarily based in Australia, Germany, the United States, Europe, and Asia Pacific.

Properties

ResMed owns its principal executive offices and US distribution center, a 144,000 square-foot (13,378 square-meter) facility located in Poway, California, just outside San Diego. Primary manufacturing operations are situated in Sydney, Australia, a 120,000 square-foot (11,148 square-meter) facility also owned by ResMed. Sales and warehousing facilities are leased in Oxford, England; Mönchengladbach, Germany; Lyon, France; Trollhättan, Sweden; and Singapore.

MAP's principal offices are located in Munich, Germany, in a 44,000 square-foot (4,088 square-meter) leased facility. MAP's subsidiaries also lease sales and warehouse facilities in Lyss, Switzerland; Villach, Austria; and s'Hertogenbosch, Netherlands.

shareholders' information

ten year financial summary

Year ended June 30

In thousands, except per share data

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Net revenues	155,156	115,615	88,627	66,519	49,180	34,562	23,501	13,857	7,650	3,356
Income from operations	44,269*	33,138	25,255	17,363	8,327	3,595	2,787	1,289	637	(95)
Income before income taxes	45,541*	34,166	24,577	16,112	11,087	6,561	3,781	1,831	1,205	315
Net income	29,857*	22,226	16,102	10,611	7,465	4,503	2,833	1,232	846	315
Basic EPS	0.96*	0.74	0.55	0.37	0.26	0.16	0.19	0.10	0.09	0.04
Diluted EPS	0.89*	0.69	0.52	0.35	0.26	0.16	0.16	0.09	0.06	0.02

* Numbers after MAP acquisition are: Income from operations 26,042; Income before income taxes 27,314; Net income 11,630; Basic EPS 0.37; Diluted EPS 0.35

Annual meeting of shareholders

The annual meeting of shareholders will be held on Monday, November 5, 2001, at 4.00pm at ResMed Inc., 14040 Danielson St, Poway, CA, 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. Prior to September 1999, ResMed was listed on the NASDAQ-AMEX national stock market under the symbol RESM. The company began trading on the Nasdaq 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 is shown below.

	2001		2000	
	High	Low	High	Low
Quarter One	38.38	24.63	17.19	11.82
Quarter Two	41.50	25.50	23.13	12.75
Quarter Three	47.00	36.65	39.62	20.34
Quarter Four	57.68	37.91	38.06	22.00

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 and investor inquiries

ResMed has a World Wide Web site containing details about the company, its products, SDB, and information for sleep professionals, as well as the latest company news releases. You can visit the web site at www.resmed.com.

To directly receive copies of company news and other investor information, please contact Walter Flicker, Corporate Secretary, ResMed Inc., 14040 Danielson St, Poway, CA 92064-6857 USA.
Tel: +1 858 746 2400; Fax: +1 858 746 2830;
E-mail: InvestorRelations@ResMed.com.

Security analysts and institutional investors are invited to contact Adrian M. Smith, Vice President, Finance, ResMed Inc., Tel: +61 2 9886 5000 or Walter Flicker, Corporate Secretary, ResMed Inc.
Tel +1 858 746 2400 or 1800 424 0737 (US only).

As at June 30

In thousands

	2001	2000	1999	1998	1997	1996	1995	1994	1993	1992
Working capital	144,272	47,550	32,529	32,759	34,395	30,844	27,354	5,010	2,589	1,501
Long-term debt	150,000	-	-	-	274	578	787	386	163	218
Shareholders' equity	100,366	93,972	71,647	50,773	44,625	38,986	28,867	5,630	2,895	1,689
Total assets	288,090	115,594	89,889	64,618	54,895	47,299	35,313	9,608	5,173	2,886

Transfer agent and registrar

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

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

Computershare, Level 3, 60 Carrington Street, Sydney NSW 2000. Tel: +61 2 8234 5000.

Convertible notes inquiries

The indenture trustee for the notes is American Stock Transfer and Trust Company. Inquiries regarding the notes should be directed to American Stock Transfer and Trust Company, 40 Wall Street, New York, NY 10005. Tel: +1 718 921 8275.

The notes and the common stock issuable upon conversion of the notes (the "Securities") have not been registered under the Securities Act or any other state or foreign securities laws. Thus, unless and until they are registered under the Securities Act, the securities may not be offered, sold, pledged, or otherwise transferred except (1) in compliance with the registration requirements of the Securities Act and all other applicable securities laws, or (2) pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws.

Legal counsel

Latham and Watkins, 650 Town Center Drive, Suite 2000, Costa Mesa, CA 92626 USA.

Independent auditors

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

board of directors

Chairman of the Board

Peter C. Farrell

President, Chief Executive Officer, ResMed, Inc.

Directors

Christopher A. Bartlett

Professor of Business Administration and Chair, Program for Global Leadership, Harvard Business School

Donagh McCarthy

President, CEO and Chairman of the Board of Protiveris Inc., a startup Biotech company based in Rockville, Maryland

Gary W. Pace

President and Chief Executive Officer, RTP Pharma Inc. (a biopharmaceutical research corporation)

Michael A. Quinn

CEO of international venture fund. Formerly CEO of a medical device company and co-founder of NYSE listed environmental company

Christopher G. Roberts

Executive Vice President, ResMed, Inc.

Senior Executives

Mark Abourizk	Vice President, Intellectual Property and Legal Affairs (Asia Pacific)
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
Robert Douglas	Vice President, Corporate Marketing
Walter Flicker	Corporate Secretary
Robert Frater	Vice President, Innovation
Elliott Glick	Vice President, US Operations
Steve Hyde	Vice President, Technology Ventures
Curt Kenyon	Vice President, US Sales & Marketing
Brett Lenthall	Vice President, Information Systems
Stefan Madaus	Chief Executive, MAP
William Nicklin	Vice President, Manufacturing
Alain Perséguers	Chief Executive, Southern Europe
Ron Richard	Vice President, US Marketing
Klaus Schindhelm	Vice President, Global Operations
Joerg Schneider	Chief Executive, ResMed Germany
Adrian Smith	Vice President, Finance and Chief Financial Officer
Deirdre Stewart	Vice President, New Business Development and Clinical Education and Training
Jonathan Wright	Vice President, Global New Business

2000 – 1992 highlights

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

99 Acquires holding in Flaga hf becoming distributor of Embla sleep diagnostic equipment in US and selected other countries

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

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; Singaporean and Malaysian distributor Innovmedics acquired and ResMed Singapore Pte Ltd established for direct distribution in SE Asia

96 German distributor Priess Med Technik purchased and ResMed Priess GmbH & Co established in Germany; business activities of French distributor Premium Medical S.A.R.L. purchased and ResMed SA established in France

95 Company name changed to ResMed; lists on NASDAQ, raising US$24 million

94 ResCare group incorporates as Delaware Corporation

93 Nomura Jafco invests

92 Medtronic distribution agreement terminated; direct distribution to USA market

Products

00 ResMed S6 CPAP system; *Ultra* Mirage Mask; enhanced AutoSet T; enhanced VPAP; AutoScan; Embla sleep recorder

99 AutoSet T & AutoSet PDS devices; Mirage Full Face Mask; Mirage Disposable Full Face Mask; ResControl

98 AutoSet Clinical II device; AutoSet Portable II Plus device; VPAP II ST-A & VPAP MAX bilevel devices

97 AutoSet Portable II device; HumidAire active humidifier; Mirage Mask; SCAN 2.0; UCU 2

96 Comfort device; ResCap II headgear; VPAP II 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)

94 AutoSet Clinical device; Infant Mask; SmartStart; SULLIVAN IV CPAP device; VPAP bilevel device

93 Bubble Mask - Series 3; Constant CPAP (Germany); ResCap headgear; SULLIVAN III CPAP device

92 HC100 active humidifier

Awards

00 Ranked 58 in *Business Week* as one of the *100 Hottest-Growth Companies* ($25m to $500m annual sales) in the U.S; 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 in *Forbes* Magazine in the *200 Best Small Companies in America* for fourth year in a row

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 Fastest-Growing Companies*; ranked 27 by *Forbes* Magazine in the *200 Best Small Companies in America*

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

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)

95 Australian State Exporter of the Year Award

92 Austrade Exporter of the Year Awards Finalist

Now I can drive for hours

I feel twenty years old again

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