

# MEDIA RELEASE

---

## RESMED INC ANNOUNCES RECORD FINANCIAL RESULTS FOR QUARTER AND YEAR ENDED JUNE 30, 2003

---

SYDNEY, Australia, August 6, 2003... ResMed Inc (ASX:RMD) announced record revenue and income results for the quarter and year ended June 30, 2003. Revenue for the quarter was US\$80.7 million, an increase of 43% over the quarter ended June 30, 2002. Income from operations and net income for the June 30, 2003 quarter increased to US\$18.6 million and US\$13.5 million respectively, an increase of 55% and 38%.

Selling, general and administration (SG&A) costs for the quarter were US\$25.6 million, an increase of US\$6.6 million or 35%, over the same period in fiscal 2002. The increase in SG&A related primarily to an increase in selling and administration personnel to meet expanding opportunities in the sleep-disordered breathing market and US\$1.0 million in legal costs predominantly associated with outstanding patent infringement lawsuits against competitors. SG&A expenditure as a percentage of revenue was 31.7% in the June quarter compared to 33.8% for the same period in fiscal 2002.

Research and development expenditure, at 7.7% of revenues, increased during the three months ended June 30, 2003 to US\$6.2 million from US\$4.1 million in the quarter ended June 30, 2002. The increase of 51% in research and development outlays reflects ResMed's continuing commitment to innovation within its product portfolio, as well as an ongoing commitment to clinical research and product development, particularly in evolving hypertension, stroke and congestive heart failure markets. The increase in research and development expenditure, adjusted for the effect of a stronger Australian dollar was 31%. The R&D spend should continue at around 8% of revenues.

Company revenues for fiscal year 2003 were US\$273.6 million, an increase of 34% over the year ended June 30, 2002. Net income for the year was US\$45.7 million or US\$1.33 per share, on a diluted basis, compared with net income of US\$37.5 million or US\$1.10 per share for fiscal year 2002. Net income increased by 22%, while EPS, on a diluted basis, improved by 21%.

Inventories of US\$49.4 million were flat compared to March 2003 levels. Inventory turnover improved 22 days from the March quarter. Accounts receivable days sales outstanding at 62 days, improved by 6 days compared to March 2003 quarter and continue to compare favorably to industry peers.

Peter C. Farrell, PhD, Chairman and Chief Executive Officer, commented, "These record profit and revenue results for the June quarter and fiscal year 2003 reflect ResMed's continuing strong sales and profit growth. Our operating cash flow for the June quarter, was a record-breaking US\$22.1 million. American sales increased by 28% over the June 2002 quarter to a record US\$36.3 million, reflecting very healthy American demand for our sleep-disordered breathing products. Rest of World sales increased by a healthy 60%, over the June 2002 quarter, reflecting growth across all major markets as well as a stronger Euro and SARS-related sales of approximately US\$5.0 million."

Dr. Farrell also commented, "We were delighted with the way the Company ended fiscal 2003, especially relating to our strong cash flow. We are making encouraging progress in the cardiovascular market as we continue to develop our strategic partnerships with Medcath Corporation and Guidant Corporation. In addition, we have some exciting new products to be released during the next two quarters as well as other products under development."

Looking forward, we project the overall market for our products to continue to grow at an approximately 20% over the next 12-18 months. We continue to believe that our annual revenue growth will meet or exceed this market growth rate, excluding the impact of any non-recurring issues, such as the recent SARS epidemic.

ResMed is a leading developer, manufacturer, and marketer of medical equipment for the diagnosis, treatment, and management of sleep-disordered breathing, selling a comprehensive range of products in over 60 countries.

ResMed will host a conference call at 6:30 a.m. Australian Eastern Standard Time (AEST) today to discuss these quarterly results. Individuals wishing to access the conference call may do so via ResMed's Web site at [www.resmed.com](http://www.resmed.com). Please allow extra time prior to the call to visit the site and download the streaming media player (Windows Media Player) required to listen to the Internet broadcast. The online archive of the broadcast will be available approximately 90 minutes after the live call and will be available for two weeks. A telephone replay of the conference call is available by dialing +1 (617) 801-6888 and entering conference ID No. 83532481.

Further information can be obtained by contacting David Pendarvis at ResMed Inc San Diego, on +1 (858) 746-2568; Adrian Smith at ResMed Limited Sydney on (02) 9886-5407; or by visiting the Company's multilingual Web site at [www.resmed.com](http://www.resmed.com).

Statements contained in this release that are not historical facts are "forward-looking" statements as contemplated by the Private Securities Litigation Reform Act of 1995. These forward-looking statements, including statements regarding the Company's future revenue, earnings or expenses, new product development and new markets for the Company's products, are subject to risks and uncertainties, which could cause actual results to materially differ from those projected or implied in the forward-looking statements. Those risks and uncertainties are discussed in the Company's Annual Report on Form 10-K for its most recent fiscal year and in other reports the Company files with the US Securities & Exchange Commission. Those reports are available on the Company's Web site.

**RESMED INC. AND SUBSIDIARIES**  
**Consolidated Statements of Income**  
(In US\$ thousands, except per share data)

	Three Months Ended June 30,		Year Ended June 30,	
	2003	2002	2003	2002
	(unaudited)		(unaudited)	
Net revenue	US\$80,695	US\$56,247	US\$273,570	US\$204,076
Cost of sales	30,331	19,439	100,483	70,827
Gross profit	50,364	36,808	173,087	133,249
Operating expenses:				
Selling, general and administrative	25,578	19,014	85,313	64,481
Research and development	6,235	4,140	20,534	14,910
In process R&D written off on acquisition	-	350	-	350
Donation to Foundations	-	1,349	-	2,349
Total operating expenses	31,813	24,853	105,847	82,090
Income from normal operations	18,551	11,955	67,240	51,159
Other:				
Interest income (expense), net	(418)	(763)	(2,549)	(3,224)
Other income (expense), net	1,786	(363)	1,907	108
Gain on extinguishment of debt	-	3,560	529	6,549
Total other income (expenses), net	1,368	2,434	(113)	3,433
Income before income taxes	19,919	14,389	67,127	54,592
Income taxes	6,395	4,579	21,398	17,086
Net income	US\$13,524	US\$9,810	US\$45,729	US\$37,506
Basic earnings per share	US\$0.41	US\$0.30	US\$1.38	US\$1.17
Diluted earnings per share	US\$0.39	US\$0.29	US\$1.33	US\$1.10
Basic earnings per CDI	US\$0.041	US\$0.030	US\$0.138	US\$0.117
Diluted earnings per CDI	US\$0.039	US\$0.029	US\$0.133	US\$0.110
Basic shares outstanding	33,275	32,714	33,054	32,174
Diluted shares outstanding	34,726	34,011	34,439	34,080

**RESMED INC. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
(In US\$ thousands except share and per share data)

	June 30, 2003	June 30, 2002
	(unaudited)	
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash and cash equivalents	US\$114,491	US\$72,860
Marketable securities - available for sale	6,533	19,979
Accounts receivable, net	56,694	46,199
Inventories	49,386	41,173
Deferred income taxes	8,301	9,289
Prepaid expenses and other current assets	6,500	4,213
Total current assets	241,905	193,713
Property, plant and equipment, net of accumulated depreciation	104,687	79,279
Patents, net of accumulated amortization	3,745	2,653
Goodwill	102,160	92,536
Other assets	7,098	8,010
Total assets	US\$459,595	US\$376,191
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$19,368	\$11,605
Accrued expenses	19,140	15,273
Income taxes payable	3,408	6,905
Deferred revenue	6,355	3,636
Payable for property purchase	-	11,552
Current portion of deferred profit on sale leaseback	2,312	1,933
Total current liabilities	50,583	50,904
Non current liabilities:		
Deferred revenue	7,210	5,402
Deferred profit on sale and leaseback	2,119	3,705
Convertible subordinated notes	113,250	123,250
Total non-current liabilities	122,579	132,357
Total liabilities	US\$173,162	US\$183,261
Stockholders' Equity:		
Preferred stock, \$0.01 par value, 2,000,000 shares authorized; none issued	-	-
Series A Junior Participating preferred stock, \$0.01 par value, 250,000 shares authorized; none issued	-	-
Common Stock \$0.004 par value 100,000,000 shares authorized; issued and outstanding 33,370,885 at June 30,2003 and 32,818,160 at June 30, 2002 (excluding 415,365 and 290,047 shares held as Treasury stock respectively)	133	132
Additional paid-in capital	107,433	94,153
Retained earnings	160,372	114,643
Treasury Stock	(11,415)	(7,873)
Accumulated other comprehensive income (loss)	29,910	(8,125)
Total stockholders' equity	US\$286,433	US\$192,930
Commitments and contingencies	-	-
Total liabilities and stockholders' equity	US\$459,595	US\$376,191