

MEDIA RELEASE

RESMED INC ANNOUNCES RECORD FINANCIAL RESULTS FOR QUARTER AND NINE MONTHS ENDED MARCH 31, 2003

SYDNEY, Australia, April 23, 2003...ResMed Inc. (ASX: RMD) announced record revenue and income results for the quarter and nine months ended March 31, 2003. Revenue for the quarter was US\$69.0 million, an increase of 31% over the quarter ended March 31, 2002. Income from operations and net income for the March 31, 2003, quarter increased to US\$17.1 million and US\$12.3 million respectively, an increase of 26% and 33%, on adjusted fiscal 2002 comparables (see reconciliation table at end of press release). On a GAAP basis, the net income result of US\$12.3 million represents US\$0.35 per share (on a fully diluted basis), up from US\$0.31 per share in the March 2002 quarter.

Selling, general and administration (SG&A) costs for the quarter were US\$21.0 million, an increase of US\$4.6 million 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, the inclusion of Servo Magnetics Inc. (SMI) after its May 2002 acquisition, and litigation costs associated with outstanding patent infringement lawsuits against competitors. SG&A expenditure as a percentage of revenue was 30% in the March quarter compared to 31% for the same period in fiscal 2002 and 32% in the quarter ended December 2002.

Research and development expenditure, at 7.3% of revenues, increased during the three months ended March 31, 2003, to US\$5.1 million from US\$3.8 million in the quarter ended March 31, 2002. The increase of 34% 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 the evolving hypertension, stroke and congestive heart failure markets. The increase was also affected by a stronger Australian dollar.

For the nine months ended March 31, 2003, revenues were US\$192.9 million, an increase of 30% over the US\$147.8 million for the nine months ended March 31, 2002. Net income for the nine months was US\$32.2 million or US\$0.94 per share, compared with net income of US\$27.7 million or US\$0.81 per share for the same period in fiscal 2002. Net income increased by 16% over the prior period, or by 20% against adjusted fiscal 2002 comparables.

Inventories of US\$49.3 million were higher this quarter compared to the December 2002 quarter, predominantly reflecting a foreign currency translation impact from a weaker US dollar. Inventory turnover improved 8 days from the December quarter. Accounts receivable days sales outstanding, at 68 days, were consistent with the December 2002 quarter and continue to compare favorably to industry peers.

Peter C. Farrell, Ph.D., Chairman and Chief Executive Officer, commented, "These record profit and revenue results for the March quarter reflect ResMed's continuing strong sales and profit growth. Our operating cash flow for the March quarter was a record-breaking US\$17.0 million. American sales increased by 27% over the March 2002 quarter to a record US\$33.8 million, reflecting very healthy North American demand for our sleep-disordered breathing products as well as contributions from our recently acquired subsidiary, SMI. This growth occurred despite the full discontinuation of our direct U.S. distribution of MedCare diagnostic products in the quarter. Rest of world sales increased by a healthy 35%, over the March 2002 quarter, reflecting growth across all European markets as well as a stronger Euro."

Dr. Farrell also commented, "We continue to move forward in the overlapping areas of sleep-disordered breathing and cardiovascular disease. Together with Guidant Corporation, we co-sponsored a satellite symposium on sleep-disordered breathing and heart disease at the American College of Cardiology's 52nd Annual Scientific Session. We also announced our strategic alliance with MedCath Corporation, a national provider of cardiovascular services. We are working with MedCath and its cardiologist partners to help them screen, diagnose, and treat their patients' sleep-disordered breathing."

Dr. Farrell concluded, "Finally, we were pleased to receive ongoing recognition from the investment community during the quarter. Investor's Business Daily ranked ResMed among 'The Stable Seventy' U.S. public companies that it singled out in its March 27, 2003 edition as providing 'stellar, steady earnings growth over an extended period'. Similarly, on April 7, 2003, Forbes.com included ResMed as one of 'The 25 Fastest-Growing Tech Companies'. We were particularly gratified because both groups used criteria based on the past five years of performance in making their evaluations. We manage our business for long-term success, and we are proud of our record over the eight years we have been public. This result marks the 32nd consecutive quarter in which we have achieved record revenue and earnings.

Looking forward, we project the overall market for our products to continue to grow at an approximate 20% annual rate over the next 12-18 months. We continue to believe that our annual revenue growth will exceed this market growth rate."

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. 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 (706) 645-9291 and entering conference ID No. 9859588.

Further information can be obtained by contacting Adrian Smith at ResMed Inc's Sydney offices, (02) 9886 5407 or by visiting the Company's multilingual Web site at www.resmed.com.

Statements contained in this release, which are not historical facts, are "forward-looking" statements as contemplated by the Private Securities Litigation Reform Act of 1995. Such forward-looking statements, including statements regarding the Company's future revenue and earnings projections, the development of new markets for the Company's products, and the performance and potential of the Company's new products 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 discussed in the Company's Annual Report on Form 10-K for its most recent fiscal year.

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

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2003	2002	2003	2002
Net revenue	US\$68,996	US\$52,776	US\$192,875	US\$147,829
Cost of sales	25,809	19,005	70,152	51,388
Gross profit	<u>43,187</u>	<u>33,771</u>	<u>122,723</u>	<u>96,441</u>
Operating Expenses:				
Selling, general and administrative	21,013	16,408	59,735	45,467
Research and development	5,068	3,792	14,299	10,770
Donation to Research Foundation	-	1,000	-	1,000
Total operating expenses	<u>26,081</u>	<u>21,200</u>	<u>74,034</u>	<u>57,237</u>
Income from operations	<u>17,106</u>	<u>12,571</u>	<u>48,689</u>	<u>39,204</u>
Other income (expenses), net:				
Gain on debt extinguishment	-	2,989	529	2,989
Interest income (expense), net	(505)	(893)	(2,131)	(2,461)
Other income, net	1,406	433	121	471
Total other income (expenses), net	<u>901</u>	<u>2,529</u>	<u>(1,481)</u>	<u>999</u>
Income before income taxes	<u>18,007</u>	<u>15,100</u>	<u>47,208</u>	<u>40,203</u>
Income taxes	<u>(5,757)</u>	<u>(4,721)</u>	<u>(15,003)</u>	<u>(12,507)</u>
Net income (loss)	<u>US\$12,250</u>	<u>US\$10,379</u>	<u>US\$32,205</u>	<u>US\$27,696</u>
Basic earnings per share	US\$0.37	US\$0.32	US\$0.98	US\$0.87
Diluted earnings per share	US\$0.35	US\$0.31	US\$0.94	US\$0.81
Basic earnings per CDI	US\$0.037	US\$0.032	US\$0.098	US\$0.087
Diluted earnings per CDI	US\$0.035	US\$0.031	US\$0.094	US\$0.081
Basic shares outstanding	33,065	32,217	32,980	31,992
Diluted shares outstanding	34,564	33,924	34,343	34,101

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

	March 31, 2003	June 30, 2002
ASSETS		
Current assets:		
Cash and cash equivalents	US\$93,715	US\$72,860
Marketable securities - available-for-sale	9,586	19,979
Accounts receivable, net	52,636	46,199
Inventories	49,305	41,173
Deferred income taxes	9,357	9,289
Prepaid expenses and other current assets	5,468	4,213
	220,067	193,713
Property, plant and equipment, net of accumulated depreciation	92,199	79,279
Patents, net of accumulated amortization	3,137	2,653
Goodwill	98,639	92,536
Other assets	6,221	8,010
	US\$420,263	US\$376,191
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$16,027	\$11,605
Accrued expenses	16,664	15,273
Income taxes payable	6,111	6,905
Payable for property purchase	6,331	11,552
Deferred revenue	5,704	3,636
Current portion of deferred profit on sale leaseback	2,077	1,933
	52,914	50,904
Non Current Liabilities:		
Deferred revenue	7,007	5,402
Deferred profit on sale and leaseback	2,424	3,705
Convertible subordinated notes	113,250	123,250
	122,681	132,357
Total liabilities	US\$175,595	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 33,126,910 at March 31, 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	98,715	94,153
Retained earnings	146,848	114,643
Treasury stock	(11,415)	(7,873)
Accumulated other comprehensive income (loss)	10,387	(8,125)
	US\$244,668	US\$192,930
Total liabilities and stockholders' equity	US\$420,263	US\$376,191

Reconciliation of Non-GAAP Financial Measures

In managing its business, ResMed makes use of certain non-GAAP financial measures to take account of certain one-time items. These measures, "Income from Operations, as adjusted," and "Net Income, as adjusted" are reconciled to the attached financial statements as noted below.

	Three months ended March 31,		Nine months ended March 31,	
	2003	2002	2003	2002
Income from Operations, as reported	US\$17,106	US\$12,571	US\$48,689	US\$39,204
Donation to Research Foundation	-	1,000	-	1,000
Income from Operations, as adjusted	\$17,106	13,571	\$48,689	40,204
Percentage change from previous year's Income from Operations, as reported	36%		24%	
Percentage change from previous year's Income from Operations, as adjusted	26%		21%	
Net Income, as reported	12,250	10,379	32,205	27,699
Donation to Research Foundation	-	650	-	650
Gain on debt extinguishment	-	(1,853)	(328)	(1,853)
Net Income, as adjusted	US\$12,250	US\$9,176	US\$31,877	US\$26,496
Percentage change from previous year's Net Income, as reported	18%		16%	
Percentage change from previous year's Net Income, as adjusted	33%		20%	

ResMed believes that the provision of these measures provides useful information to investors in period-to-period evaluation of performance. Among other things, the above measures may exclude such items as refinancing transactions, donations to medical research foundations and other associated transactions outside the Company's normal business operations. Management uses these measures internally to evaluate the performance of the business, including to allocate resources and to evaluate results relative to employee performance compensation targets. Investors should consider these non-GAAP measures in addition to, not as a substitute for, or as superior to, measures of financial performance prepared in accordance with GAAP.

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