

MEDIA RELEASE

RESMED ANNOUNCES RECORD FINANCIAL RESULTS FOR QUARTER ENDED SEPTEMBER 30, 2003

SYDNEY, Australia, October 29, 2003... ResMed Inc. (ASX:RMD) announced record revenue and income results for the quarter ended September 30, 2003. Revenue for the quarter was US\$72.9 million, an increase of 24% over the quarter ended September 30, 2002. Income from operations and net income for September 30, 2003 quarter increased to US\$19.0 million and US\$12.2 million respectively, an increase of 22% and 28%. Earnings per share on a diluted basis for the quarter ended September 30, 2003 was US\$0.35 (US\$0.035 per ASX listed CDI) an increase of 25%, compared to the September 2002 quarter. Gross margin was 64.7%, increasing from 62.4% in the June 2003 quarter, and above the September 2002 quarter's margin of 64.3% reflecting improved expense control and product mix.

Selling, general and administration (SG&A) costs for the quarter were US\$22.2 million, an increase of US\$4.4 million or 25%, 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. SG&A expenditure as a percentage of revenue was 30% in the September quarter, consistent with the same period in fiscal 2002.

Research and development expenditure, at approximately 8% of revenues, increased during the three months ended September 30, 2003 to US\$6.0 million from US\$4.4 million in the quarter ended September 30, 2002. The increase of 37% in R&D outlays reflects ResMed's continuing commitment to clinical research and product development, particularly in the evolving cardiovascular area. We expect to continue to spend approximately 8% of our revenues on R&D during the rest of this fiscal year.

Inventory, at US\$56 million increased compared to June 2003 levels, primarily reflecting the beginning of an inventory build to buffer stocks before the Company relocates its Australian manufacturing facility. The move is expected to occur in Q3 of this fiscal year. Accounts receivable days sales outstanding, at 69 days, improved by 3 days, compared to the September 2002 quarter.

Peter C. Farrell, PhD, Chairman and Chief Executive Officer, commented, "These excellent profit and revenue results for the September quarter reflect our continuing strong sales and profit growth. Operating cash flow for the September quarter was US\$12.6 million. This was impressive, particularly in light of our inventory build. American sales increased by 22% over the September 2002 quarter to US\$34.7 million, reflecting continued healthy American demand for our sleep-disordered breathing products. Rest of world sales increased by 26%, over the September 2002 quarter to US\$38.2 million, reflecting growth in all major markets, in particular Japan, as well as a stronger Euro."

Dr. Farrell also commented, "This quarter also saw the release of our new AutoSet Respond unit in the United States, as well as -- in most major markets -- our new bilevel unit, the VPAPIII, plus our new Ultra Mirage Full Facemask. We are excited about, not only these new products, but also the release, during our second fiscal quarter, of our revolutionary Activa nasal interface. Our recent clinical trials showed that the Activa performs better than any other mask we have yet produced. Finally, we released our channel management product, known as Boomerang Web, which is a web-based software solution. Boomerang Web allows our customers to enhance both patient care and inventory management. We are excited by all these new product offerings, which continue our track record of delivering innovative sleep-disordered breathing products to the global marketplace."

Dr. Farrell concluded, "During this quarter, as previously reported, we came to an agreement with Respirationics which resolved our long-standing patent disputes. We are grateful to have this behind us and look forward to putting our resources to more productive activities. Finally, on the cardiac front, we jointly presented, with Guidant Corporation, a symposium on sleep-disordered breathing and heart failure, at the September meeting in Las Vegas of the Heart Failure Society of America. We were pleased to host some 350 cardiologists, who turned out to learn more about the connection between cardiovascular disease and sleep-disordered breathing."

We continue to believe that the market for sleep-disordered breathing products will continue to grow annually at approximately 20% over the next 12-18 months. We also 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 8.30 am Australian Eastern Daylight Time (AEDT) 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 (617) 801-6888 and entering conference ID No. 32226786.

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 +61 (2) 9886-5407; or by visiting the Company's multilingual Web site at 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.

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

	Three Months Ended September 30,	
	2003	2002
Net revenue	\$72,878	\$58,586
Cost of sales	25,720	20,889
Gross profit	47,158	37,697
Operating expenses:		
Selling, general and administrative	22,187	17,791
Research and development	6,017	4,395
Total operating expenses	28,204	22,186
Income from operations	18,954	15,511
Other income (expenses), net:		
Interest income (expense), net	(394)	(883)
Gain on extinguishment of debt	-	338
Other, net	(652)	(967)
Total other income (expenses), net	(1,046)	(1,512)
Income before income taxes	17,908	13,999
Income taxes	5,659	4,428
Net income	\$12,249	\$9,571
Basic earnings per share	\$0.36	\$0.29
Diluted earnings per share	\$0.35	\$0.28
Basic earnings per CDI	\$0.036	\$0.029
Diluted earnings per CDI	\$0.035	\$0.028
Basic shares outstanding	33,649	32,882
Diluted shares outstanding	35,089	34,121

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

	September 30, 2003	June 30, 2003
ASSETS	(unaudited)	
Current assets:		
Cash and cash equivalents	\$104,677	\$114,491
Marketable securities - available for sale	27,102	6,533
Accounts receivable, net	55,963	56,694
Inventories	55,973	49,386
Deferred income taxes	9,354	8,301
Prepaid expenses and other current assets	6,632	6,500
Total current assets	259,701	241,905
Property, plant and equipment, net of accumulated depreciation	113,482	104,687
Patents, net of accumulated amortization	3,777	3,745
Goodwill	103,089	102,160
Other assets	6,585	7,098
Total assets	\$486,634	\$459,595
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$17,411	\$19,368
Accrued expenses	20,104	19,140
Income taxes payable	5,698	3,408
Deferred revenue	6,927	6,355
Current portion of deferred profit on sale and leaseback	2,342	2,312
Total current liabilities	52,482	50,583
Non current liabilities:		
Deferred revenue	8,105	7,210
Deferred profit on sale and leaseback	1,562	2,119
Convertible subordinated notes	113,250	113,250
Total non-current liabilities	122,917	122,579
Total liabilities	\$175,399	\$173,162
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 33,882,293 at September 30, 2003 and 33,370,885 at June 30, 2003 (excluding 425,928 and 415,365 shares held as Treasury Stock respectively)	136	134
Additional paid-in capital	116,491	107,432
Retained earnings	172,621	160,372
Treasury stock	(11,877)	(11,415)
Accumulated other comprehensive income (loss)	33,864	29,910
Total stockholders' equity	311,235	286,433
Commitments and contingencies	-	-
Total liabilities and stockholders' equity	\$486,634	\$459,595

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