

**RESMED INC. ANNOUNCES RECORD FINANCIAL RESULTS FOR  
QUARTER AND SIX MONTHS ENDED DECEMBER 31, 2003**

SYDNEY, Australia, February 5, 2004...ResMed Inc. (ASX: RMD) announced record revenue and income results for the quarter and six months ended December 31, 2003. Revenue for the quarter was US\$82.3 million, an increase of 26% over the quarter ended December 31, 2002. Income from operations and net income for the December 31, 2003 quarter increased to US\$19.4 million and US\$14.2 million respectively, an increase of 21% and 36%. Earnings per share (on a diluted basis) for the quarter ended December 31, 2003 were US\$0.40, an increase of 33%, compared to the December 2002 quarter. Gross margin was 64%, consistent with the December 2002 quarter.

Selling, general and administration (SG&A) costs for the quarter were US\$25.8 million, an increase of US\$4.8 million over the same period in fiscal 2003. The increase in gross 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 31% in the December quarter, compared to 32% in the same period in fiscal 2003.

Research and development expenditure, at approximately 8% of revenues, increased during the three months ended December 31, 2003 to US\$6.8 million from US\$4.8 million in the quarter ended December 31, 2002. The increase of 40% in R&D outlays reflects ResMed's continuing commitment to clinical research and product development, particularly in the evolving cardiovascular area, as well as a stronger Australian dollar. In constant currency terms, research and development expenditure increased by 14% compared to the December 2002 quarter. We expect to continue to spend approximately 8% of our revenues on R&D during the rest of the fiscal year.

For the six months ended December 31, 2003 revenues were US\$155.2 million, an increase of 25% over the US\$123.9 million for the six months ended December 31, 2002. Net income for the six months was US\$26.4 million or US\$0.75 per share, compared with net income of US\$20.0 million or US\$0.58 per share for the same period in fiscal 2003. Net income increased by 32% over the prior year period.

Inventory at US\$56.9 million, increased marginally compared to September 2003 levels. Accounts receivable days sales outstanding, at 63 days, improved by 5 days, compared to the December 2002 quarter.

During the quarter, we repurchased 460,441 shares of our common stock at a cost of US\$18.6 million. The stock repurchase represents part of ResMed's ongoing capital management activities.

During the quarter, we made a further commitment to donate US\$0.5 million to the ResMed Foundation. The foundation was established to promote awareness of and research into the serious medical consequences of untreated SDB.

Peter C. Farrell PhD, Chairman and Chief Executive Officer, commented, "These record profit and revenue results for the December quarter of fiscal 2004 reflect ResMed's continuing strong sales and profit growth. This represents ResMed's 35<sup>th</sup> consecutive record quarter, in terms of quarter over quarter revenue and net income growth, since the Company went public in 1995. Our operating cash flow for the December quarter was an encouraging US\$13.4 million. American sales increased by 27% over the December 2002 quarter to a record US\$41.1 million, reflecting continued healthy American demand for our sleep-disordered breathing products. Rest of world sales increased by 25%, over the December 2002 quarter to US\$41.2 million, reflecting encouraging growth in major markets, as well as a stonger Euro."

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Dr. Farrell further commented, "The sleep-disordered breathing market remains a vibrant one. Other medical specialties, in addition to the traditional ones, are finally beginning to see the need to address SDB/OSA in their patients. The trend is evolutionary rather than revolutionary but recognition of the need for treatment is finally dawning, particularly in the cardiovascular space."

Dr. Farrell added, "ResMed has, once again, been included in the Forbes magazine 200 Best Small Companies in America for the 7th consecutive year. No other medical device company has been on the list for so many consecutive years, and only three companies have exceeded this time span. We welcome this recognition and attribute it to great teamwork. Overall ranking is calculated by giving weightings to growth in sales, earnings, and ROE for the most recent 12 months and over the past 5 years."

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](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 (international) and entering conference ID No. 54001121.

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](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.

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

	Three Months Ended December 31,		Six Months Ended December 31,	
	2003	2002	2003	2002
Net revenue	\$82,292	\$65,293	\$155,170	\$123,879
Cost of sales	29,868	23,454	55,588	44,343
Gross profit	52,424	41,839	99,582	79,536
Operating expenses				
Selling, general and administrative	25,765	20,931	47,952	38,722
Donation to Foundation	500	0	500	0
Research and development	6,766	4,836	12,783	9,231
Total operating expenses	33,031	25,767	61,235	47,953
Income from operations	19,393	16,072	38,347	31,583
Other income (expenses), net				
Interest income (expense), net	(368)	(743)	(762)	(1,626)
Gain on extinguishment of debt	-	191	-	529
Other, net	1,883	(318)	1,231	(1,285)
Total other income (expenses), net	1,515	(870)	469	(2,382)
Income before income taxes	20,908	15,202	38,816	29,201
Income taxes	6,757	4,818	12,416	9,246
Net income	\$14,151	\$10,384	\$26,400	\$19,955
Basic earnings per share	\$0.42	\$0.31	\$0.78	\$0.61
Diluted earnings per share	\$0.40	\$0.30	\$0.75	\$0.58
Basic shares outstanding	33,663	32,994	33,658	32,939
Diluted shares outstanding	35,044	34,346	35,069	34,234

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

	December 31, 2003	June 30, 2003
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$107,462	\$114,491
Marketable securities - available for sale	9,698	6,533
Accounts receivable, net	58,165	56,694
Inventories	56,864	49,386
Deferred income taxes	9,172	8,301
Prepaid expenses and other current assets	6,743	6,500
<b>Total current assets</b>	<b>248,104</b>	<b>241,905</b>
Property, plant and equipment, net of accumulated depreciation	134,171	104,687
Patents, net of accumulated amortization	4,827	3,745
Goodwill	108,154	102,160
Other assets	11,223	7,098
<b>Total assets</b>	<b>\$506,479</b>	<b>\$459,595</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	14,479	19,368
Accrued expenses	19,531	19,140
Income taxes payable	6,333	3,408
Deferred revenue	7,784	6,355
Current portion of deferred profit on sale and leaseback	2,579	2,312
<b>Total current liabilities</b>	<b>50,706</b>	<b>50,583</b>
Non Current Liabilities:		
Deferred Revenue	8,777	7,210
Deferred profit on sale and leaseback	1,075	2,119
Convertible subordinated notes	113,250	113,250
<b>Total non-current liabilities</b>	<b>123,102</b>	<b>122,579</b>
<b>Total liabilities</b>	<b>173,808</b>	<b>173,162</b>
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 33,557,259 at December 31, 2003 and 33,370,885 at June 30, 2003 (excluding 886,369 and 415,365 shares held as Treasury Stock respectively)	134	134
Additional paid-in capital	119,071	107,432
Retained earnings	186,772	160,372
Treasury stock	(30,440)	(11,415)
Accumulated other comprehensive income (loss)	57,134	29,910
<b>Total stockholders' equity</b>	<b>332,671</b>	<b>286,433</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$506,479</b>	<b>459,595</b>

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