

RESMED ANNOUNCES COMPENSATION ARRANGEMENT FOR CERTAIN COMPANY OFFICERS

Sydney, December 17, 2007 -- ResMed Inc (ASX:RMD) announced today that its board of directors approved the implementation of the succession plan previously described in an announcement lodged on August 31, 2007. The implementation will include certain compensation arrangements described below. As previously disclosed, under the succession plan, effective January 1, 2008, Dr. Peter C. Farrell will resign as Chief Executive Officer and will be appointed to the office of Executive Chairman of the Board. Also, effective January 1, 2008, Kieran T. Gallahue will be promoted to the office of Chief Executive Officer, while continuing as President.

In connection with Kieran T. Gallahue's promotion to the office of Chief Executive Officer, effective January 1, 2008, Mr. Gallahue's annual base salary will be increased to US\$675,000 per year. In addition, Mr. Gallahue's target bonus opportunity under our bonus plan, which is outlined in our Notice of Annual General Meeting lodged on September 19, 2007, will be increased to 100% of his base salary. Mr. Gallahue will be eligible for change of control benefits at the level of Chief Executive Officer under the executive agreements described in the Appendix 4E document filed August 29, 2007.

In connection with Dr. Peter C. Farrell's resignation as Chief Executive Officer and appointment to the office of Executive Chairman of the Board, effective January 1, 2008, Dr. Farrell's annual salary will be decreased to US\$450,000. Dr. Farrell will continue to be eligible for a target bonus of 100% of his salary under our bonus plan, which is outlined in our Notice of Annual General Meeting lodged on September 19, 2007, and will continue to be eligible for the same change of control benefits as before under the executive agreements described in the Appendix 4E document filed August 29, 2007.

About ResMed

ResMed is a leading manufacturer of medical equipment for the treatment and management of sleep-disordered breathing and other respiratory disorders. We are dedicated to developing innovative products to improve the lives of those who suffer from these conditions and to increasing awareness among patients and healthcare professionals for the potentially serious health consequences of untreated sleep-disordered breathing.

Further information can be obtained by contacting Matthew Borer at ResMed Inc., San Diego, at (+1 858) 746-2280; Brett Sandercock at ResMed Limited, Sydney, on (+612) 8884-2090; or by visiting the Company's multilingual Web site at www.resmed.com.

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