**\_\_\_\_\_Quarterly report for \_\_\_\_ResMed\_\_\_\_\_\_\_\_\_\_ Date: 3/17/13**

Percentage change in Sales from year ago quarter\_\_\_\_\_\_13.2%\_\_\_\_\_\_\_\_\_\_

Percentage change in Earnings per Share from year ago quarter\_\_\_\_\_\_\_126.2%\_\_\_\_\_\_\_\_

Is company meeting our target sales & earnings estimates? **Yes**

Pre-tax Profit on sales trend? (up, even, down) **UP**

Return on equity trends? (up, even, down)**EVEN**

Debt? (up, even, down)**Down**

Current PE is \_\_222.0\_\_\_\_\_\_.

Where does it fall in my estimated High/low range of PE's?\_\_\_\_mid-way\_\_\_\_\_

Average PE =\_\_\_\_20.1\_\_\_\_\_

Club cost basis for this stock is \_\_33.1696\_\_. Current price is \_\_\_\_\_43.71\_\_\_\_\_\_\_

(from latest valuation)

Current fair value: Morningstar:\_\_\_\_\_$39.00\_\_\_\_\_\_ S&P:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

My SSG Total Return is \_\_\_\_\_\_11.7%\_\_\_\_\_\_\_\_Projected Average Return is \_\_ 6.7%\_\_\_\_\_\_\_\_\_

What will drive future growth?

Expect innovation and continued market penetration to drive 10-12% sales growth, avoiding commoditization. MS expecting gross margins expected to hold steady or even rise as more manufacturing moves to lower cost Asian locations and innovation reduces downward pressures from struggling economies. Key demographic trends (esp aging and obesity) should keep sales growth steady at around 10%. Competition and pressure from the weaker economic environments in Europe and the United States are expected to constrain sales growth.

Additional comments:

ResMed is a key leader in the treatment of sleep apnea and is expected to remain so for the foreseeable future. With the run-up in the overall market, ResMed is fully valued at this time and is a hold.

Recommend: Buy More \_\_\_\_, Hold\_\_\_\_\_\_\_\_\_, Challenge with a better investment\_\_\_\_\_\_, Sell\_\_\_ Currently hold.