**\_\_\_\_\_Quarterly report for \_\_\_\_ResMed\_\_\_\_\_\_\_\_\_\_ Date: 2/14/12**

Percentage change in Sales from year ago quarter\_\_\_\_\_\_8.7%\_\_\_\_\_\_\_\_\_\_

Percentage change in Earnings per Share from year ago quarter\_\_\_\_\_\_\_13.5%\_\_\_\_\_\_\_\_

Is company meeting our target sales & earnings estimates? Yes for earnings, no for sales

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

Return on equity trends? (up, even, down)UP

Debt? (up, even, down)Down

Current PE is \_\_20.1\_\_\_\_\_\_.

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

Signature PE =\_\_\_\_\_\_\_\_\_

Club cost basis for this stock is \_\_33.1696\_\_. Current price is \_\_\_\_\_29.35\_\_\_\_\_\_\_

 (from latest valuation) (53 sh , $1,555.55 Currently)

Current fair value: Morningstar:\_\_\_\_\_$25.00\_\_\_\_\_\_ S&P:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

My SSG Total Return is \_\_\_\_\_\_17.3%\_\_\_\_\_\_\_\_Projected Average Return is \_\_ 11.6%\_\_\_\_\_\_\_\_\_

What will drive future growth

Expect innovation and continued market penetration to drive 12% sales growth. Operating margins expected to fall to 19.7 % from 21.5 %, the drop somewhat limited by good control of overheads. During the next five years, expect key demographic trends (esp aging and obesity) and increased penetration of the potential patient pool to drive 9 % compound annual sales growth at the firm. Expect the weaker economic environment in Europe and the United States to somewhat subdue sales growth.

Additional comments:

Price currently down because of uncertainty about health care future. This will resolve and Resmed products will still be in demand.

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