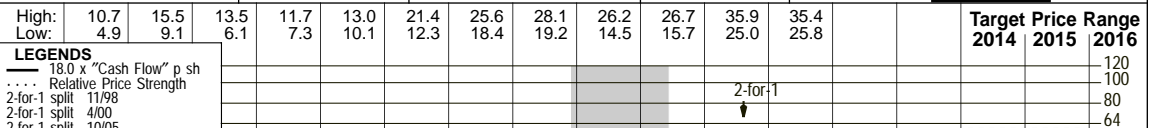


RESMED INC. NYSE-RMD

RECENT PRICE **27.87** P/E RATIO **18.0** (Trailing: 19.8; Median: 28.0) RELATIVE P/E RATIO **1.29** DIV'D YLD **Nil** **VALUE LINE**

TIMELINESS 4 Lowered 11/4/11
SAFETY 2 Raised 2/27/09
TECHNICAL 1 Raised 11/25/11
BETA .75 (1.00 = Market)



2014-16 PROJECTIONS

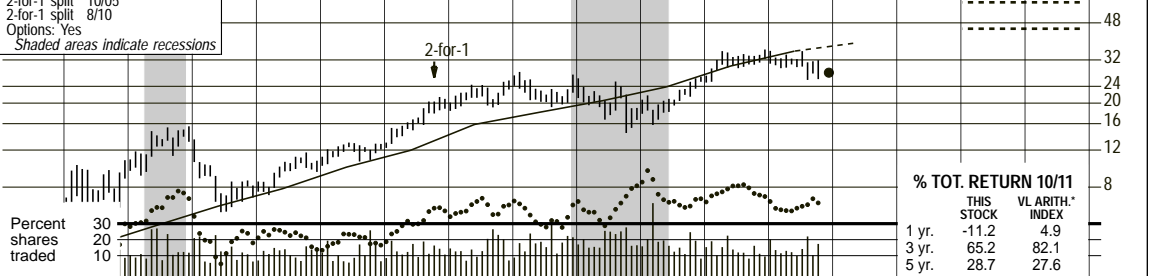
Price	Gain	Ann'l Total Return
High 60	(+115%)	21%
Low 45	(+60%)	13%

Insider Decisions

	D	J	F	M	A	M	J	J	A
to Buy	0	0	0	0	0	0	0	0	0
Options to Buy	2	1	6	0	0	2	1	2	1
to Sell	3	1	6	0	1	3	1	2	0

Institutional Decisions

	4Q2010	1Q2011	2Q2011
to Buy	126	109	100
to Sell	124	144	117
Hld's(000)	89827	80883	77982



Year	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16	
Price	.45	.30	.43	.57	.75	.94	1.23	1.56	2.05	2.51	3.04	4.01	4.61	5.50	6.12	7.22	8.20	9.55	Sales per sh ^A	13.80	
Cash Flow	.07	.05	.09	.12	.17	.23	.29	.36	.44	.55	.66	.88	1.01	1.14	1.33	1.66	1.96	2.15	"Cash Flow" per sh	3.20	
Earnings	.08	.04	.06	.09	.13	.17	.22	.28	.33	.41	.46	.61	.69	.73	.95	1.23	1.44	1.55	Earnings per sh ^B	2.45	
Dividends	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Div'ds Decl'd per sh	Nil
Cap Spending	.03	.01	.03	.09	.17	.13	.22	.21	.19	.42	.28	.68	.50	.50	.73	.38	.44	.50	.50	Cap'l Spending per sh	.60
Book Value	.55	.34	.39	.43	.60	.77	.80	1.47	2.15	2.67	3.39	4.88	6.00	7.12	7.41	8.51	11.41	12.25	12.25	Book Value per sh ^C	17.90
Market Cap	52.27	114.75	115.24	117.23	118.46	122.37	125.92	131.23	133.48	135.43	140.00	151.34	155.24	151.95	150.50	151.35	151.67	146.00	Common Shs Outst'g ^D	142.00	
P/E Ratio	8.8	22.5	19.2	21.9	29.7	33.0	43.9	41.7	24.3	27.2	29.5	32.7	33.4	29.5	20.2	21.8	22.3	22.3	21.0	Avg Ann'l P/E Ratio	21.0
Relative P/E	.59	1.41	1.11	1.14	1.69	2.15	2.25	2.28	1.39	1.44	1.57	1.77	1.77	1.78	1.35	1.39	1.39	1.39	1.40	Relative P/E Ratio	1.40
Div Yield	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Nil	Avg Ann'l Div'd Yield	Nil

CAPITAL STRUCTURE as of 9/30/11
 Total Debt \$134.1 mill. Due in 5 Yrs \$134.1 mill.
 LT Debt \$130.0 mill. LT Interest \$6.5 mill.
 (8% of Capital)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012		2012
Debt %	33.1%	30.0%	29.2%	30.4%	32.3%	28.7%	27.6%	25.1%	26.8%	27.9%	27.2%	25.4%	25.4%	Operating Margin	27.0%
Interest	7.0	10.0	12.6	17.7	28.3	41.0	47.9	59.3	53.4	61.6	70.6	82.0	82.0	Depreciation (\$mill)	95.0
Capital	29.6	37.5	45.7	57.3	64.8	92.5	108.1	114.1	146.4	190.1	227.0	230	230	Net Profit (\$mill)	355
Income	35.1%	31.3%	31.9%	32.3%	33.0%	31.3%	31.4%	30.1%	27.4%	27.1%	25.3%	25.0%	25.0%	Income Tax Rate	25.0%
Profit	19.1%	18.4%	16.7%	16.9%	15.2%	15.2%	15.1%	13.7%	15.9%	17.4%	18.3%	16.5%	16.5%	Net Profit Margin	18.1%
Working	144.3	144.6	191.3	217.2	141.6	381.3	466.4	546.6	584.2	672.6	1083.7	995	995	Working Cap'l (\$mill)	1130
Long-Term	150.0	123.3	113.3	113.3	58.9	116.2	87.6	93.8	94.2	94.2	100.0	100	100	Long-Term Debt (\$mill)	Nil
Shr. Equity	100.4	192.9	286.4	361.5	474.1	738.1	931.2	1081.8	1115.2	1287.5	1730.7	1785	1785	Shr. Equity (\$mill)	2545
Return on	11.8%	12.4%	11.8%	12.2%	12.2%	11.2%	10.9%	10.0%	12.3%	14.8%	12.5%	12.5%	12.5%	Return on Total Cap'l	14.0%
Return on	29.5%	19.4%	16.0%	15.8%	13.7%	12.5%	11.6%	10.6%	13.1%	14.8%	13.1%	13.0%	13.0%	Return on Shr. Equity	14.0%
Retained to	29.5%	19.4%	16.0%	15.8%	13.7%	12.5%	11.6%	10.6%	13.1%	14.8%	13.1%	13.0%	13.0%	Retained to Com Eq	14.0%
All Div'ds	--	--	--	--	--	--	--	--	--	--	--	Nil	Nil	All Div'ds to Net Prof	Nil

Leases, Uncapitalized Annual rentals \$14.0 mill.
No Defined Benefit Pension Plan

Preferred Stock None
 Common Stock 147,771,904 shares

MARKET CAP: \$4.1 billion (Mid Cap)

Current Position (\$MILL)	2010	2011	9/30/11
Cash Assets	488.8	735.3	610.1
Receivables	226.9	275.4	251.1
Inventory (FIFO)	185.6	200.8	188.0
Other	84.0	82.0	93.6
Current Assets	985.3	1292.5	1142.8
Accts Payable	57.5	55.2	46.7
Debt Due	121.7	.2	4.1
Other	133.5	153.4	174.9
Current Liab.	312.7	208.8	225.7

ANNUAL RATES of change (per sh)

	Past 10 Yrs.	Past 5 Yrs.	Est'd '09-'11 to '14-'16
Sales	22.0%	17.5%	14.0%
"Cash Flow"	21.5%	18.5%	14.0%
Earnings	21.5%	19.5%	15.0%
Dividends	--	--	Nil
Book Value	29.0%	20.0%	13.0%

BUSINESS: ResMed Inc. develops, manufactures, and distributes medical equipment for treating, diagnosing, and managing sleep-disordered breathing (SDB) and other respiratory disorders. SDB includes obstructive sleep apnea and other respiratory disorders that occur during sleep. It markets its products in over 70 countries through a combination of wholly owned subsidiaries and independent distributors. '11 R&D: \$92.0 mill (7.4% of sales). Employs about 3,450. Officers and directors own 6.0% of stock; BlackRock, 6.8%; Capital Research Global Investors, 6.3% (9/11 proxy). Chairman, President & CEO: Peter C. Farrell. Incorporated: Delaware. Address: 9001 Spectrum Center Boulevard, San Diego, California 92123. Telephone: 858-836-5000. Internet: www.resmed.com.

QUARTERLY SALES (\$ mill.) ^A

Fiscal Year Ends	Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2008	185.7	202.7	211.8	235.2	835.4
2009	217.8	223.0	227.9	252.0	920.7
2010	247.0	275.1	278.7	291.6	1092.4
2011	282.0	306.0	313.2	341.9	1243.1
2012	314.8	340.2	355	385	1395

ResMed kicked off fiscal 2012 in lackluster fashion. (Fiscal years end June 30th.) The medical products manufacturer earned just \$0.33 a share in the September period, three pennies below the year-earlier figure. The top line advanced at a healthy 12% clip, mostly thanks to higher sales of masks and accessories. Revenues from flow generators rose a bit, as well, but fell somewhat short of our expectation. SG&A and R&D outlays soared on an absolute basis and as a percentage of the top line, due to ongoing appreciation of the Australian dollar against the U.S. dollar. In addition, the company invested more in its pipeline.

program. Given solid cash flow from operations and a healthy balance sheet, we look for the company to keep buying back stock in the near term. (At the end of the month, there were 18.1 million shares available under the company's repurchase plan.)

ResMed stock is untimely. Indeed, owing to weak share-price momentum that has persisted since the summer, as well as the lackluster earnings performances posted of late, we think momentum investors should shy away.

EARNINGS PER SHARE ^{AB}

Fiscal Year Ends	Sep.30	Dec.31	Mar.31	Jun.30	Full Fiscal Year
2008	.17	.17	.19	.20	.73
2009	.18	.22	.25	.30	.95
2010	.27	.30	.32	.34	1.23
2011	.36	.37	.34	.37	1.44
2012	.33	.38	.40	.44	1.55

We have pruned our fiscal 2012 estimates. We cut \$20 million from our top-line call, and knocked a nickel off our share-profit target. Demand has waned slightly, owing to the soft economic backdrop, and currency translation will likely continue to hurt the bottom line.

The issue has plenty of long-term appeal, however. We agree with management's belief that awareness of sleep-disordered breathing and its impact on other disease states, including hypertension, heart failure, and type 2 diabetes, continues to grow. We think the gradual push toward preventative healthcare, as well as the medical device industry's efforts to better educate physicians and cardiologists, will also help to drive demand for ResMed's offerings and ultimately bolster the bottom line. The issue is also a relatively safe bet, especially for a "growth" stock in an expanding industry.

QUARTERLY DIVIDENDS PAID

Calendar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007					
2008					
2009					
2010					
2011					

The company continues to buy back stock at a rapid pace. In the September period, it repurchased 4.4 million shares, at a cost of \$124.7 million, as part of management's ongoing capital management

ent distributors. '11 R&D: \$92.0 mill (7.4% of sales). Employs about 3,450. Officers and directors own 6.0% of stock; BlackRock, 6.8%; Capital Research Global Investors, 6.3% (9/11 proxy). Chairman, President & CEO: Peter C. Farrell. Incorporated: Delaware. Address: 9001 Spectrum Center Boulevard, San Diego, California 92123. Telephone: 858-836-5000. Internet: www.resmed.com.

Company's Financial Strength	A
Stock's Price Stability	85
Price Growth Persistence	95
Earnings Predictability	95

(A) Fiscal years end on June 30th. Quarterly figures may not sum due to rounding. (B) Diluted earnings. Excludes nonrecurring losses: '01, 14c; '05, 2c; '06, 2c; '07, 27c; '08, 3c. Next earnings report due late January. (C) Includes intangibles. In '11: \$283.4 million, \$1.87 a share. (D) In millions, adjusted for splits.