SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2001

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM ________ TO ________

0-26038
Commission file number:

ResMed Inc
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

98-0152841
(IRS Employer Identification No)

14040 Danielson St
Poway CA 92064-6857
United States Of America
(Address of principal executive offices)

(858) 746 2400
(Registrant's telephone number including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [x]   No [ ]

As of March 31, 2001, there were 31,308,291 shares of Common Stock ($0.004 par value) outstanding.

RESMED INC AND SUBSIDIARIES
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PART I FINANCIAL INFORMATION

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PART I - FINANCIAL INFORMATION Item 1

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RESMED INC AND SUBSIDIARIES
Condensed Consolidated Balance Sheets (Unaudited)
(in thousands, except share and per share data)

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	March 31, 2001	June 30, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	$ 24,570	$ 18,250
Marketable securities - available-for-sale	-	3,713
Accounts receivable, net of allowance for doubtful accounts of $1,176 at March 31, 2001 and 833 at June 30, 2000	33,076	24,688
Inventories (note 3)	28,674	15,802
Deferred income taxes	1,778	2,361
Prepaid expenses and other current assets	7,205	4,358
Total current assets	95,303	69,172
Property, plant and equipment, net of accumulated depreciation of $18,034 at March 31, 2001 and 13,552 at June 30, 2000	52,962	36,576
Patents, net of accumulated amortization of $887 at March 31, 2001 and $789 at June 30, 2000	1,302	1,342
Goodwill, net of accumulated amortization of $2,513 at March 31, 2001 and $2,003 at June 30, 2000	49,647	5,626
Other assets	1,747	2,878
Total assets	$200,961	$115,594
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 9,537	$ 5,929
Accrued expenses	16,378	9,224

Income taxes payable	8,371	6,469
Short term debt	35,369	-
Payable to former MAP Shareholders	40,058	-
Total current liabilities	109,713	21,622
Non current liabilities:		
Deferred revenue	3,978	-
Total non current liabilities	3,978	-
Total liabilities	113,691	21,622
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 31,308,291 at March 31, 2001 and 30,593,921 at June 30, 2000	125	122
Additional paid-in capital	47,463	41,495
Retained earnings	68,791	65,507
Accumulated other comprehensive loss (note 4)	(29,109)	(13,152)
Total stockholders' equity	87,270	93,972
Commitments and contingencies (note 5)	-	-
Total liabilities and stockholders' equity	$200,961	$115,594

</TABLE>

See accompanying notes to unaudited condensed consolidated financial statements.

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RESMED INC AND SUBSIDIARIES
Unaudited Condensed Consolidated Statements of Income
(in thousands, except per share data)

	Three Months Ended March 31, 2001	Three Months Ended March 31, 2000	Nine Months Ended March 31, 2001	Nine Months Ended March 31, 2000
<S>	<C>	<C>	<C>	<C>
Net revenue	$ 42,680	$29,971	$108,128	$84,051
Cost of sales	13,757	10,152	35,097	26,980
Gross profit	28,923	19,819	73,031	57,071
Operating expenses:				
Selling, general and administrative expenses	13,727	9,459	34,042	26,864
Provision for restructure (note 6)	550	-	550	-

Research and development expenses.	3,017	2,103	7,911	5,964
In process research and development write off.	17,677	-	17,677	-
Total operating expenses	34,971	11,562	60,180	32,828
Income from operations	(6,048)	8,257	12,851	24,243
Other income (expenses), net:				
Interest income (expense), net	(256)	205	(153)	542
Government grants.	-	-	72	279
Other income, net.	448	533	1,829	(380)
Total other income, net.	192	738	1,748	441
Income before income taxes	(5,856)	8,995	14,599	24,684
Income taxes	(4,338)	(3,157)	(11,315)	(8,649)
Net income (loss) after income taxes	($10,194)	$ 5,838	$ 3,284	$16,035
Basic earnings (loss) per share.	($0.33)	$ 0.19	$ 0.11	$ 0.53
Diluted earnings (loss) per share.	($0.30)	$ 0.18	$ 0.10	$ 0.50
Basic shares outstanding	31,246	30,294	31,030	29,975
Diluted shares outstanding	33,691	32,553	33,330	31,869

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See accompanying notes to unaudited condensed consolidated financial statements.

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RESMED INC AND SUBSIDIARIES
Unaudited Condensed Consolidated Statements of Cash Flows
(in US$ thousands)

	Nine Months Ended March 31, 2001	2000
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	$ 3,284	$ 16,035
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.	5,708	4,860
Provision for service warranties	99	157
Foreign currency options revaluations.	2,588	1,928
Restructuring provision.	550	-
Purchased in process research and development write off.	17,677	-
Changes in operating assets and liabilities, net of effects from acquisitions:		
Accounts receivable, net	(6,501)	(6,021)
Inventories.	(6,569)	(7,481)
Prepaid expenses and other current assets.	(2,674)	(919)
Accounts payable, accrued expenses and other liabilities	5,471	4,578
Net cash provided by operating activities.	19,633	13,137
Cash flows from investing activities:		
Purchases of property, plant and equipment	(24,435)	(8,194)
Patents costs.	(386)	(623)
Purchase of investments.	(2,216)	(1,489)
Business acquisitions, net of cash acquired of $367.	(14,899)	(576)
Purchases of marketable securities - available-for-sale.	(17,263)	(27,128)
Proceeds from sale of marketable securities - available-for-sale	20,976	24,828
Net cash used in investing activities.	(38,223)	(13,182)
Cash flows from financing activities:		
Proceeds from issuance of common stock	5,971	6,081
Repayment of short term debt	(6,213)	-
Proceeds from short term debt.	27,500	-
Net cash provided by financing activities.	27,258	6,081

Effect of exchange rate changes on cash	(2,348)	(788)
Net (decrease)/increase in cash and cash equivalents	6,320	5,248
Cash and cash equivalents at beginning of period	18,250	11,108
Cash and cash equivalents at end of period	$ 24,570	$ 16,356
Supplemental disclosure of cash flow information:		
Income taxes paid	$ 8,601	$ 7,930
Interest paid	565	-
Fair value of assets acquired on acquisition	30,194	-
Liabilities assumed	(21,876)	-
Goodwill on acquisition	47,119	-
Consideration for acquisition, including acquisition costs	55,437	-
Cash paid for acquisition	15,266	-
Accrued acquisition costs and balance payable to former shareholders	40,171	-

</TABLE>

See accompanying notes to condensed consolidated financial statements.

RESMED INC AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(1) Organization and Basis of Presentation

ResMed Inc (the Company), is a Delaware Corporation formed in March 1994 as a holding company for the ResMed Group. The Company designs, manufactures and markets devices for the evaluation and treatment of sleep disordered breathing, primarily obstructive sleep apnea. The Company's principal manufacturing operations are located in Australia. Other principal distribution and sales sites are located in the United States, the United Kingdom, Singapore and Europe.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by such accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three months ended March 31, 2001 and the nine months ended March 31, 2001 are not necessarily indicative of the results that may be expected for the year ending June 30, 2001.

(2) Summary of Significant Accounting Policies

(a) Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

(b) Revenue Recognition

Revenue on product sales is recorded at the time of shipment. Royalty revenue from license agreements is recorded when earned. Service revenue received in advance from service contracts is initially deferred and recognized as revenue over the life of the service contract. Revenue from sale of marketing and distribution rights is initially deferred and progressively recognized as revenue over the life of the contract.

(c) Cash and Cash Equivalents

Cash equivalents include certificates of deposit, commercial paper, and other highly liquid investments stated at cost, which approximates market. Investments with original maturities of 90 days or less are considered to be cash equivalents for purposes of the condensed consolidated statements of cash flows.

(d) Inventories

Inventories are stated at the lower of cost, determined principally by the first-in, first-out method, or net realizable value.

(2) Summary of Significant Accounting Policies, Continued

(e) Property, Plant and Equipment

Property, plant and equipment is recorded at cost. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets, generally two to ten years. Straight-line and accelerated methods of depreciation are used for tax purposes. Maintenance and repairs are charged to expense as incurred.

(f) Patents

The registration costs for new patents are capitalized and amortized over the estimated useful life of the patent, generally five years. In the event of a patent being superseded, the unamortized costs are written off immediately.

(g) Goodwill

Goodwill arising from business acquisitions is amortized on a straight-line basis over periods ranging from three to 20 years. The Company carries goodwill at cost net of amortization. The Company reviews its goodwill carrying value when events indicate that an impairment may have occurred in goodwill. If, based on the undiscounted cash flows, management determines goodwill is not recoverable, goodwill is written down to its discounted cash flow value and the amortization period is re-assessed.

(h) Government Grants

Government grants revenue is recognized when earned. Grants have been obtained by the Company from the Australian Federal Government to support continued development and export of the Company's proprietary positive airway pressure technology and to assist development of export markets. Grants of $72,000 and $279,000 have been recognized for the nine-month periods ended March 31, 2001 and 2000, respectively.

(i) Foreign Currency

The consolidated financial statements of the Company's non-US subsidiaries are translated into US dollars for financial reporting purposes. Assets and liabilities of non-US subsidiaries whose functional currencies are other than the US dollar are translated at period end exchange rates, and revenue and expense transactions are translated at average exchange rates for the period. Cumulative translation adjustments are recognized as part of "Other comprehensive income (loss)", as described in Note 4, and are included in "Accumulated other comprehensive income (loss)" on the Condensed Consolidated Balance Sheets until such time as the subsidiary is sold or substantially or completely liquidated. Gains and losses on transactions, denominated in other than the functional currency of the entity, are reflected in operations.

(2) Summary of Significant Accounting Policies, Continued

(j) Research and Development

All research and development costs are expensed in the period incurred.

(k) Earnings per Share

The weighted average shares used to calculate basic earnings per share was 31,246,000 and 30,294,000 for the quarters ended March 31, 2001 and 2000, respectively, and 31,030,000 and 29,975,000 for the nine-month periods ended March 31, 2001 and 2000, respectively. The difference between basic earnings per share and diluted earnings per share is attributable to the impact of outstanding stock options during the periods presented. Stock options had the effect of increasing the number of shares used in the calculation (by application of the treasury stock method) by 2,445,000 and 2,259,000 for the quarters ended March 31, 2001 and 2000, respectively, and by 2,300,000 and 1,894,000 for the nine-month periods ended March 31, 2001 and 2000, respectively.

(l) Financial Instruments

The carrying value of financial instruments, such as cash and cash equivalents, marketable securities - available-for-sale, accounts receivable, government grants, foreign currency option contracts and accounts payable approximate their fair value. The Company does not hold or issue financial instruments for trading purposes.

The fair value of financial instruments is defined as the amount at which the instrument could be exchanged in a current transaction between willing parties.

(m) Foreign Exchange Risk Management

The Company enters into call foreign currency options in managing its foreign exchange risk.

The purpose of the Company's foreign currency hedging activities is to protect the Company from adverse exchange rate fluctuations with respect to net cash movements resulting from the sales of products to foreign customers and Australian manufacturing activities. The Company enters into foreign currency option contracts to hedge anticipated sales and manufacturing costs denominated principally in Australian dollars and Euros. The terms of such foreign currency option contracts generally do not exceed three years.

Unrealized gains or losses are recognized as incurred on the condensed consolidated balance sheets as either other assets or other liabilities and are recorded within other income, net on the Company's condensed consolidated statements of income. Unrealized gains and losses on currency derivatives are determined based on dealer quoted prices.

(m) Foreign Exchange Risk Management, Continued

As of July 1, 2000 the Company adopted Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133), as amended, which standardizes the accounting for derivative instruments. Under the restrictive definition of hedge effectiveness contained in SFAS 133, the Company's hedging contracts do not have hedge effectiveness and are therefore marked to market with resulting gains or losses being recognized in earnings in the period of change.

The Company is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments. The credit exposure of foreign exchange options at March 31, 2001 was $372,000 which represents the fair value of options held by the Company.

The Company held foreign currency option contracts with notional amounts totaling $238,889,000 and $171,530,000 at March 31, 2001 and June 30, 2000, respectively to hedge foreign currency items. These contracts mature at various dates prior to July 31, 2002.

The Company has a forward exchange contract for EUR 40.9 million to hedge the balance of money payable on the acquisition of MAP.

(n) Income Taxes

The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(o) Marketable Securities

Management determines the appropriate classification of its investments in debt and equity securities at the time of purchase and re-evaluates such determination at each balance sheet date. Debt securities for which the Company does not have the intent or ability to hold to maturity are classified as available-for-sale. Securities available for sale are carried at fair value, with the unrealized gains and losses, net of tax, reported in Accumulated other comprehensive income (loss).

At March 31, 2001 and June 30, 2000, the Company's investments in debt securities were classified on the Condensed consolidated balance sheets as marketable securities-available-for-sale. These investments are diversified among high credit quality securities in accordance with the Company's investment policy.

(2) Summary of Significant Accounting Policies, Continued

(o) Marketable Securities, Continued

The amortized cost of debt securities classified as available-for-sale is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization and interest are included in interest income. Realized gains and losses are included in other income or expense. The cost of securities sold is based on the specific identification method.

(p) Warranty

Estimated future warranty costs related to products are accrued to operations in the period in which the related revenue is recognized.

(q) Impairment of Long-Lived Assets

The Company periodically evaluates the carrying value of long-lived assets to be held and used, including certain identifiable intangible assets, when events and circumstances indicate that the carrying amount of an asset may not be recovered. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceed the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

(3) Inventories

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Inventories were comprised of the following at March 31, 2001 and June 30, 2000 (in thousands):

	March 31, 2001	June 30, 2000
<S>	<C>	<C>
Raw materials. .	$ 6,723	4,826
Work in progress	984	297
Finished goods .	20,967	10,679
	$ 28,674	15,802

</TABLE>

(4) Comprehensive Income

As of July 1, 1998, the Company adopted Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income", which established standards for the reporting and display of comprehensive income and its components in the financial statements. The only component of comprehensive income that impacts the Company is foreign currency translation adjustments.

(4) Comprehensive Income, Continued

The net loss associated with the foreign currency translation adjustments for the three months ended March 31, 2001 was $11.8 million compared to a net loss of $5.7 million for the three months ended March 31, 2000. The net loss associated with the foreign currency translation adjustments for the nine months ended March 31, 2001 was $16.0 million compared to a net loss of $6.6 million for the nine months ended March 31, 2000.

The Company does not provide for US income taxes on foreign currency translation adjustments since it does not provide for such taxes on undistributed earnings of foreign subsidiaries. Accumulated other comprehensive loss at March 31, 2001 and June 30, 2000 consisted of foreign currency translation adjustments with debit balances of $29,109,000 and $13,152,000 respectively.

(5) Commitments and Contingencies

The Company is currently engaged in litigation relating to the enforcement and defense of certain of its patents.

In January 1995, the Company filed a complaint in the United States District Court for the Southern District of California seeking monetary damages from and injunctive relief against Respironics for alleged infringement of three ResMed patents. In February 1995, Respironics filed a complaint in the United States District Court for the Western District of Pennsylvania against the Company seeking a declaratory judgment that Respironics does not infringe claims of these patents and that the Company's patents are invalid and unenforceable. The two actions were combined and are proceeding in the United States District Court for the Western District of Pennsylvania. In June 1996, the Company filed an additional complaint against Respironics for infringement of a fourth ResMed patent, and that complaint was consolidated with the earlier action. As of this date, Respironics has brought three partial summary judgment motions for non-infringement of the ResMed patents; the Court has granted each of the motions. In December 1999, in response to the Court's ruling on Respironics' third summary judgment motion, the parties jointly stipulated to a dismissal of charges of infringement under the fourth ResMed patent, with ResMed reserving the right to reassert the charges in the event of a favorable ruling on appeal. It is ResMed's intention to appeal the summary judgment rulings after a final judgment in the consolidated litigation has been entered in the District Court proceedings.

In January 2001, MAP Medizin-Technologie GmbH filed a lawsuit in the Civil Chamber of Munich Court against Hofrichter GmbH seeking actual and exemplary monetary damages for the unauthorized and infringing use of the Company's trademarks and patents.

While the Company is prosecuting the above actions, there can be no assurance that the Company will be successful.

(5) Commitments and Contingencies (Continued)

On March 31, 2000, the Company filed a lawsuit in the United States District Court for the Southern District of California against MPV Truma and Tiara Medical Systems, Inc., seeking actual and exemplary monetary damages and injunctive relief for the unauthorized and infringing use of the Company's trademarks, trade dress, and patents related to its Mirage mask. The parties reached a confidential out of court settlement on April 9, 2001.

In May 1995, Respironics and its Australian distributor filed a Statement of Claim against the Company and Dr. Farrell in the Federal Court of Australia, alleging that the Company engaged in unfair trade practices. The Statement of Claim asserted damage claims for lost profits on sales in the aggregate amount of approximately $1,000,000. The Parties reached a confidential out of court settlement of this Action on April 16, 2001.

In September 2000, the Company was named as a defendant in a qui tam proceeding filed in the United States District Court for the Northern District of Georgia, brought by a private citizen, alleging that the Company violated federal healthcare laws. The Federal Government declined to intervene in the action. On March 22, 2001, the District Court dismissed the Complaint without prejudice.

(6) Provision for Restructure

Subsequent to the purchase of MAP Medizin - Technologie GmbH, "MAP", the Company has begun limited restructuring of MAP's activities and for the three months ended March 31, 2001, has taken a charge of $550,000 associated with the closure and/or sale of MAP's unprofitable French operations.

(7) Business Acquisition

On February 16, 2001 the Company's fully owned German subsidiary ResMed Beteiligungs GmbH, acquired all the common stock of MAP Medizin-Technologie GmbH "MAP" for total consideration, including acquisition costs, of $55.4 million.

The acquisition has been accounted for as a purchase and accordingly, the results of operations of MAP have been included in the company's consolidated financial statements from February 16, 2001. The excess of the purchase price over the fair value of the net identifiable assets acquired of $47.1 million has been recorded as goodwill and is being amortized on a straight line basis over 20 years.

The following unaudited pro-forma financial information presents the combined results of operations of the Company and MAP as if the acquisition had occurred as of the beginning of the nine-month periods ended March 31, 2001 and March 31, 2000, after giving effect to certain adjustments, including amortization of goodwill and increased interest expense associated with debt funding the acquisition. The pro-forma financial information does not necessarily reflect the results of operations that would have occurred had the Company and MAP constituted a single entity during such periods.

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The Pro-forma net income for the nine-month period ended March 31, 2001 excludes non-recurring acquisition charges of $17,677,000 for purchased in process research and development and $550,000 for restructuring of MAP's French operations.

(In thousands except per share data)	Nine Months Ended March 31, 2001	2000
<S>	<C>	<C>
Net revenue.	$124,551	$102,832
Net income	$ 20,323	$ 13,532
Basic earnings per share .	$ 0.65	$ 0.45
Diluted earnings per share	$ 0.61	$ 0.42
Basic shares outstanding .	31,030	29,975
Diluted shares outstanding	33,330	31,869

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RESMED INC AND SUBSIDIARIES
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Net Revenue

Net revenue increased for the three months ended March 31, 2001 to $42.7 million from $30.0 million for the three months ended March 31, 2000, an increase of $12.7 million or 42%. For the nine month period ended March 31, 2001 net revenue increased to $108.1 million from $84.1 million for the nine month period ended March 31, 2000, an increase of $24.0 million or 29%. Both the three month and nine month increases in net revenue were attributable to an increase in unit sales of the Company's flow generators and accessories in both domestic and international markets and also to the acquisition on February 16, 2001 of MAP Medizin-Technologie GmbH "MAP", which contributed net revenue of $2.9 million for the quarter. Net revenue in North and Latin America increased to $21.3 million from $15.4 million for the quarter, and to $57.6 million from $45.1 million for the nine month periods ended March 31, 2001 and 2000 respectively. Net revenue in international markets increased to $21.4 million from $14.5 million for the quarter, and to $50.6 million from $38.9 million for the nine month periods ended March 31, 2001 and 2000, respectively.

Gross Profit

Gross profit increased for the three months ended March 31, 2001 to $28.9 million from $19.8 million for the three months ended March 31, 2000, an increase of $9.1 million or 46%. Gross profit as a percentage of net revenue increased for the quarter ended March 31, 2001 to 68% from 66% for the quarter ended March 31, 2000 reflecting a favorable AUD/USD exchange rate as well as improved manufacturing efficiencies through increased volumes.

For the nine-month period ended March 31, 2001 gross profit increased to $73.0 million from $57.1 million in the same period of fiscal 2000, an increase of $15.9 million or 28%. Gross profit as a percentage of net revenue was 68% for the nine-month periods ended March 31, 2001 and 2000.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased for the three months ended March 31, 2001 to $13.7 million from $9.5 million for the three months ended December 31, 2000, an increase of $4.2 million or 44%. As a percentage of net revenue, selling, general and administrative expenses for the three months ended March 31, 2001 increased to 32.2% from 31.6% for the three months ended March 31, 2000. The increase in selling, general and administrative expenses was primarily due to an expansion of selling and administration personnel associated with the growth of company operations, including $1.4 million of SG&A expenses from MAP.

Selling, general and administrative expenses for the nine months ended March 31, 2001 increased to $34.0 million from $26.9 million for the nine months ended March 31, 2000, an increase of $7.1 million or 26%. As a percentage of net revenue selling, general and administration expenses declined to 31.5% for the nine months ended March 31, 2001 from 32.0% in the nine months ended March 31, 2000.

Research and Development Expenses

Research and development expenses increased for the three months ended March 31, 2001 to $3.0 million from $2.1 million for the three months ended March 31, 2000, an increase of $0.9 million or 43%. As a percentage of net revenue, research and development expenses increased to 7.1% for the three months ended March 31, 2001 compared to 7.0% for the three months ended March 31, 2000. The increase in gross research and development expenses was due to increased salaries associated with an increase in personnel and increased charges for consulting fees, clinical trials and technical assessments incurred to facilitate development of new products.

For the nine month period ended March 31, 2001 research and development expenses increased to $7.9 million from $6.0 million for the same period in fiscal 2000, an increase of $1.9 million. As a percentage of net revenue, research and development expenses was 7.3% for the nine months ended March 31, 2001 compared to 7.1% for the nine months ended March 31, 2000. The increase in gross research and development expenses was due to increased salaries associated with an increase in personnel and increased charges for consulting fees, clinical trials and technical assessments incurred to facilitate development of new products.

In Process Research and Development Write Off

Purchased in process research and development of $17,677,000 was expensed upon acquisition of MAP because technological feasibility of the products under development had not been established and no further alternative uses existed. The value of in process technology was calculated by identifying research projects in areas for which technological feasibility had not been established, estimating the costs to develop the purchased in process technology into commercially viable products, estimating the resulting net cash flows from such products, discounting the net cash flows to present value, and applying the reduced percentage completion of the projects thereto. The discount rates used in the analysis were between 27% and 33% and were based on the risk profile of the acquired assets.

The Company believes that the assumptions used to value the acquired intangible assets were reasonable at the time of acquisition. No assurance can be given, however, that the underlying assumptions used to estimate expected project revenues, development costs or profitability, or events associated with such projects, will transpire as estimated. For these reasons, among others, actual results may vary from the projected results.

Other Income (Expense), Net

Other income, net, decreased for the three months ended March 31, 2001 to $192,000 from $738,000 for the three months ended March 31, 2000. The decrease in other income was due primarily to an increase in interest expense associated with debt funding the MAP acquisition.

Other income, net increased for the nine months ended March 31, 2001 to $1,748,000 from $441,000 for the nine months ended March 31, 2000. The increase in other income was attributable to higher net foreign currency exchange gains, partially offset by an increase in interest expense.

Income Taxes

Excluding a non-recurring in process research and development write-down of $17.7 million and restructuring charge of $0.6 million, the Company's effective income tax rate was unchanged at approximately 35.1% for the three months ended March 31, 2001 and 2000. For the nine month period ended March 31, 2001 the Company's effective income tax rate declined to 34.5% from 35.0% for the nine month period ended March 31, 2000. The lower tax rate was primarily due to the lowering of the corporate tax rate in Australia from 36% to 34% effective from July 1, 2000, partially offset in the current quarter by an increase in non-deductible goodwill expense.

Liquidity and Capital Resources

As of March 31, 2001 and June 30, 2000, the Company had cash and cash equivalents and marketable securities available-for-sale of approximately $24.6 million and $22.0 million, respectively. The Company also had short term debt of $35.4 million and an amount payable to the former MAP shareholders of $40.1 million as of March 31, 2001.

During the nine months ended March 31, 2001, the Company generated cash of $19.6 million from operations, primarily as a result of increased profit from operations offset by increases in inventory and accounts receivable balances. During the nine months ended March 31, 2000 approximately $13.1 million of cash was generated by operations.

The Company's capital expenditures for the nine month periods ended March 31, 2001 and 2000 aggregated $24.4 million and $8.2 million respectively. The majority of the expenditures in the nine month period ended March 31, 2001 related to the purchase of land and buildings and, to a lesser extent, computer equipment, furniture and fixtures and production tooling and equipment. The increase in expenditures in the nine month period ended March 31, 2001 compared to the nine months ended March 31, 2000 reflects the capital expenditure of $17.2 million on the company's US headquarters in Poway, California in July 2000. As a result of these capital expenditures, the Company's March 31, 2001 balance sheet reflects net property plant and equipment of approximately $53.0 million at March 31, 2001 compared to $36.6 million at June 30, 2000.

On February 16, 2001 the Company's fully owned German subsidiary, ResMed Beteiligungs GmbH, acquired all the common stock of MAP Medizin-Technologie GmbH "MAP" for total consideration, including acquisition costs, of $55.4 million.

The acquisition will be funded by bank debt currently being negotiated with Deutsche Bank AG and Union Bank of California. As at March 31, 2001, $15.3 million has been paid in relation to the acquisition of MAP with the balance of $40.1 million payable on May 16, 2001, in accordance with the Sale and Assignment Agreement. The Company has obtained an AUD 80.0 million 90-day bridging loan from Deutsche Bank to facilitate settlement of the outstanding payable to the former MAP shareholders. The Company is currently negotiating term and revolving loan facilities with Deutsche Bank AG and Union Bank of California.

The results of the Company's international operations are affected by changes in exchange rates between currencies. Changes in exchange rates may negatively affect the Company's consolidated net revenue and gross profit margins from international operations. The Company is exposed to the risk that the dollar value equivalent of anticipated cash flows will be adversely affected by changes in foreign currency exchange rates. The Company manages this risk through foreign currency option contracts.

The Company expects to satisfy all of its short-term liquidity requirements through a combination of cash on hand, cash generated from operations and its existing revolving loan facility with the Union Bank of California, of which $2.5 million is available at March 31, 2001.

RESMED INC AND SUBSIDIARIES

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign Currency Market Risk

The Company's functional currency is the US dollar although the Company transacts business in various foreign currencies including a number of major European currencies as well as the Australian dollar. The Company has significant foreign currency exposure through both its Australian manufacturing activities and international sales operations.

The Company has established a foreign currency hedging program using purchased currency options to hedge foreign-currency-denominated financial assets, liabilities and manufacturing expenditure. The goal of this hedging program is to economically guarantee or lock in the exchange rates on the Company's foreign currency exposures denominated in the Euros and Australian dollar. Under this program, increases or decreases in the Company's foreign-currency-denominated financial assets, liabilities, and firm commitments are partially offset by gains and losses on the hedging instruments.

The table below provides information about the Company's foreign currency derivative financial instruments, by functional currency and presents such information in US dollar equivalents. The table summarizes information on instruments and transactions that are sensitive to foreign currency exchange rates, including foreign currency call options held at March 31, 2001. The table presents the notional amounts and weighted average exchange rates by expected (contractual) maturity dates for the Company's foreign currency derivative financial instruments. These notional amounts generally are used to calculate payments to be exchanged under contracts.

<TABLE>
<CAPTION>

(In US$ thousands)	Fiscal Year 2001	2002	2003	Total	Fair Value Assets/ (Liabilities)
<S>	<C>	<C>	<C>	<C>	<C>
FOREIGN EXCHANGE CALL OPTIONS					
(Receive AUS$/Pay US$)					
Option amount.	$48,000	$178,000	-	$226,000	$359
Average contractual exchange rate.	AUS $1 = USD 0.632	AUS $1 = USD 0.608		AUS $1 = USD 0.613	
(Receive AUS$/Pay Euro)					
Option amount.	$3,427	$9,099	$373	$12,889	$13
Average contractual exchange rate.	AUS $1 = Euro 0.657	AUS $1 = Euro 0.659	AUS $1 = Euro 0.667	AUS $1 = Euro 0.659	
FORWARD EXCHANGE CONTRACT					
(Pay US$/Receive Euro)					
Contract amount.	$37,496	-	-	$37,496	-
Contractual exchange rate.	USD 1= 0.9167 Euro			USD 1= 0.9167 Euro	

</TABLE>

Interest Rate Risk
- --------------------

The Company is exposed to risk associated with changes in interest rates affecting the return of investments and the cost of its debt.

At March 31, 2001, the Company maintained a portion of cash and cash equivalents in financial instruments with original maturities of three months or less. The Company also had short term debt of $35.4 million and a payable to the former MAP shareholders of $40.1 million. A hypothetical 100 basis point change in interest rates during the three month period ended March 31, 2001 would have resulted in approximately a $0.1 million change in pre tax income. The Company does not use derivative financial instruments to manage interest rate risk.

PART II - OTHER INFORMATION Items 1-6
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RESMED INC AND SUBSIDIARIES

Item 1 Legal Proceedings
See Note 5 to the Condensed Consolidated Financial Statements

Item 2 Changes in Securities

None

Item 3 Defaults Upon Senior Securities
None

Item 4 Submission of Matters to a Vote of Security Holders
None

Item 5 Other Information
None

Item 6 Exhibits and Report on Form 8K

On May 1, 2001 ResMed Inc filed a Form 8-K/A reporting Pro Forma Condensed Consolidated Financial Information associated with the acquisition, on February 16, 2001, of MAP Medizin-Technologie GmbH.

RESMED INC AND SUBSIDIARIES
SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ResMed Inc

/S/ PETER C FARRELL

Peter C Farrell
President and Chief Executive Officer

/S/ ADRIAN M SMITH

Adrian M Smith
Vice President Finance and Chief Financial Officer