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 SEPTEMBER 30, 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 September 30, 2001 there were 31,916,680 shares of Common Stock ($0.004 par value) outstanding.

RESMED INC AND SUBSIDIARIES
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PART I - FINANCIAL INFORMATION Item 1

<TABLE>
<CAPTION>

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

	September 30, 2001	June 30, 2001
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	$ 60,444	$ 40,136
Marketable securities - available-for-sale.	83,066	62,616
Accounts receivable, net of allowance for doubtful accounts of 948 at September 30, 2001 and $892 at June 30, 2001.	33,503	32,248
Inventories, net (Note 4)	32,447	29,994
Deferred income taxes	4,388	4,152
Prepaid expenses and other current assets	12,449	8,736
Total current assets.	226,297	177,882
Property, plant and equipment, net of accumulated amortization of $22,040 at September 30, 2001 and $19,930 at June 30, 2001	54,929	55,092
Patents, net of accumulated amortization of $1,088 at September 30, 2001 and $1,030 at June 30, 2001	1,640	1,390
Goodwill (Note 6)	51,372	47,870
Other assets.	7,232	5,856
Total assets.	$ 341,470	$ 288,090
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable.	$ 6,374	$ 7,971
Accrued expenses and other liabilities.	24,145	16,751
Income taxes payable.	9,115	8,888
Total current liabilities	39,634	33,610
Non current liabilities:		
Deferred revenue.	5,211	4,114
Convertible subordinated notes.	180,000	150,000
Total non current liabilities	185,211	154,114
Total liabilities	224,845	187,724
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 31,916,680 at September 30, 2001 and 31,478,780 at June 30, 2001	128	126
Additional paid-in capital.	57,992	52,675
Retained earnings	85,675	77,137
Accumulated other comprehensive loss.	(27,170)	(29,572)
Total stockholders' equity.	116,625	100,366
Commitments and contingencies (Note 7).	-	-
	$ 341,470	$ 288,090

</TABLE>
See the accompanying notes to the condensed consolidated financial statements.

PART I - FINANCIAL INFORMATION Item 1

<TABLE>
<CAPTION>

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

	Three Months Ended September 30, 2001	2000
<S>	<C>	<C>
Net revenue.	$ 46,129	$31,082
Cost of sales.	15,296	9,995
Gross profit	30,833	21,087
Operating expenses		
Selling, general and administrative.	14,285	9,591
Research and development	3,361	2,389
Total operating expenses	17,646	11,980
Income from operations	13,187	9,107
Other income (expense), net:		
Interest income (expense), net . . .	(735)	(2)
Other, net	117	883
Total other income (expense), net. .	(618)	881
Income before income taxes	12,569	9,988
Income taxes	4,031	3,408
Net income	$ 8,538	$ 6,580
Basic earnings per share	$ 0.27	$ 0.21
Diluted earnings per share	$ 0.25	$ 0.20
Basic shares outstanding (000's) . .	31,722	30,810
Diluted shares outstanding (000's) .	34,093	33,078

</TABLE>

See the accompanying notes to the condensed consolidated financial statements.

<TABLE>
<CAPTION>

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

	Three Months Ended September 30, 2001	2000
<S>	<C>	<C>
Cash flows from operating activities:		
Net income.	$ 8,538	$ 6,580
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,228	1,964
Amortization of deferred borrowing costs.	303	-
Provision for service warranties.	49	26
Foreign currency options revaluation.	635	852
Changes in operating assets and liabilities:		
Accounts receivable, net.	(574)	(2,424)
Inventories	(2,405)	(2,052)
Prepaid expenses and other current assets	(3,027)	(795)
Accounts payable, accrued expenses and other liabilities. .	5,481	2,139
Net cash provided by operating activities.	11,228	6,290
Cash flows from investing activities:		
Purchases of property, plant and equipment.	(2,654)	(19,228)
Patent registration costs	(394)	(143)
Purchase of non-trading investments	(1,060)	(495)
Purchases of marketable securities - available-for-sale . .	(195,498)	(9,258)
Proceeds from sale or maturity of marketable securities - available-for-sale.	175,598	9,671
Net cash used in investing activities	(24,008)	(19,453)

Cash flows provided by financing activities:		
Proceeds from issuance of common stock.	5,319	2,554
Proceeds from borrowings, net of borrowing costs.	28,402	10,000
Repayment of borrowings	-	(3,000)
Net cash provided by financing activities	33,721	9,554
Effect of exchange rate changes on cash	(633)	(1,021)
Net increase/(decrease) in cash and cash equivalents. . . .	20,308	(4,630)
Cash and cash equivalents at beginning of period.	40,136	18,250
Cash and cash equivalents at end of period.	$ 60,444	$ 13,620
Supplemental disclosure of cash flow information:		
Income taxes paid	$ 4,213	$ 1,624
Interest paid	-	$ 175

</TABLE>

See the accompanying notes to the condensed consolidated financial statements.

RESMED INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(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 major distribution and sales sites are located in the United States, the United Kingdom, France, Germany, Sweden and Singapore.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles 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 generally accepted 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 September 30, 2001 are not necessarily indicative of the results that may be expected for the year ended June 30, 2002.

(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 inter-company transactions and balances have been eliminated on consolidation.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from management's estimates.

(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 capitalized and progressively recognized as revenue over the life of the service contract. Revenue from sale of marketing or 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 consolidated statements of cash flows.

RESMED INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(2) Summary of Significant Accounting Policies, Continued

(d) Inventories

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

(e) Property, Plant and Equipment

Property, plant and equipment are 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) 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 "Comprehensive Income", as described in Note 5, and are included in accumulated other comprehensive loss on the condensed consolidated balance sheet 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.

(h) Research and Development

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

(i) Earnings Per Share

The weighted average shares used to calculate basic earnings per share was 31,722,000 and 30,810,000 for the three month periods ended September 30, 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 2,371,000 and 2,268,000 for the three-month periods ended September 30, 2001 and 2000, respectively.

RESMED INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(2) Summary of Significant Accounting Policies, Continued

(j) 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, short term debt, taxes payable 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.

(k) Foreign Exchange Risk Management

The Company enters into foreign currency call 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 in principally 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 in the consolidated balance sheets as either other assets or other liabilities and are recorded within other income, net on the Company's consolidated statements of income. Unrealized gains and losses on currency derivatives are determined based on dealer quoted prices.

From July 1, 2000 the Company adopted Statement of Financial Accounting Standards No 133, "Accounting for Derivative Instruments and Hedging Activities" (SFAS 133), 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 counter parties to financial instruments. The credit exposure of foreign exchange options at September 30, 2001 was $483,000 which represents the positive fair value of options held by the Company.

RESMED INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(2) Summary of Significant Accounting Policies, Continued

(k) Foreign Exchange Risk Management, Continued

The Company held foreign currency option contracts with notional amounts totaling $181,313,000 and $223,752,000 at September 30, 2001 and June 30, 2001, respectively to hedge foreign currency items. These contracts mature at various dates prior to June 2003.

(l) 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.

(m) 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 September 30, 2001 and June 30, 2001, the Company's investments in debt securities were classified on the accompanying consolidated balance sheet as marketable securities-available-for-sale. These investments are diversified among high credit quality securities in accordance with the Company's investment policy.

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.

RESMED INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(2) Summary of Significant Accounting Policies, Continued

(n) Warranty

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

(o) 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 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) Accounting Changes

In July 2001, The Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 142, Goodwill and Other Intangible Assets. As allowed under the Standard, the Company has adopted SFAS 142 effective July 1, 2001. SFAS 142 requires goodwill and intangible assets with indefinite useful lives to no longer be amortized, but instead be tested for impairment at least annually.

With the adoption of SFAS 142, the company reassessed the useful lives and residual values of all acquired intangible assets to make any necessary amortization period adjustments. Based on that assessment, only goodwill was determined to have an indefinite useful life and no adjustments were made to the amortization period or residual values of other intangible assets.

SFAS 142 provides a six-month transitional period from the effective date of adoption for the company to perform an assessment of whether there is an indication that goodwill is impaired. To the extent that an indication of impairment exists, the Company must perform a second test to measure the amount of the impairment. The second test must be performed as soon as possible, but no later than the end of the fiscal year. Any impairment measured as of the date of adoption will be recognized as the cumulative effect of a change in accounting principle. Because of the extensive effort needed to complete this assessment, the Company has not determined whether there is any indication that goodwill is impaired or estimated the amount of any potential impairment.

RESMED INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(3) Accounting Changes, Continued

At September 30, 2001, the Company had goodwill (net of accumulated amortization of $3.4 million) of $51.4 million which is being assessed for impairment. The Company anticipates completing its initial assessment of impairment by December 31, 2001. Should an indication of impairment exist, the Company will perform the second test under SFAS 142 to measure and record the amount of impairment, if any.

Effective July 1, 2001, the Company adopted FASB Statement of Financial Accounting Standards ("SFAS") No. 141, Business Combinations. SFAS 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. The Company has evaluated the impact of SFAS 141 and believes that it will not have a material impact on the results of operations, financial position and liquidity of the Company.

In June 2001, the FASB issued SFAS No.143, "Accounting for Asset Retirement Obligations, "which requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if reasonable estimate of fair value can be made. The associated asset retirement costs would be capitalized as part of the carrying amount of the long-lived asset and depreciated over the life of the asset. The liability is accreted at the end of each period through charges to operating expense. If the obligation is settled for other than the carrying amount of the liability, the Company will recognize a gain or loss on settlement. The provisions of SFAS No. 143 are effective for fiscal years beginning after June 15, 2002. The Company has not yet determined the impact, if any, of adoption of SFAS No. 143.

In August 2001, the FASB issued SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". For long-lived assets to be held and used, SFAS No. 144 retains the requirements of SFAS No. 121 to (a) recognize an impairment loss only if the carrying amount of a long-lived asset is not recoverable from its undiscounted cash flows and (b) measure an impairment loss as the difference between the carrying amount and fair value. Further, SFAS No. 144 eliminates the requirement to allocate goodwill to long-lived assets to be tested for impairment, describes a probability-weighted cash flow estimation approach to deal with situations in which alternative courses of action to recover the carrying amount of a long-lived asset are under consideration or a range is estimated for the amount of possible future cash flows, and establishes a "primary-asset" approach to determine the cash flow estimation period. For long-lived assets to be disposed of other than by sale (e.g. assets abandoned, exchanged or distributed to owners in a spinoff), SFAS No. 144 requires that such assets be considered held and used until disposed of. Further, an impairment loss should be recognized at the date an asset is exchanged for a similar productive asset or distributed to owners in a spinoff if the carrying amount exceeds its fair value.

RESMED INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(3) Accounting Changes, Continued

For long-lived assets to be disposed of by sale, SFAS No. 144 retains the requirement of SFAS No. 121 to measure a long-lived asset classified as held for sale at the lower of its carrying amount or fair value less cost to sell and to cease depreciation. Discontinued operations would no longer be measured on a net realizable value basis, and future operating losses would no longer be recognized before they occur. SFAS No. 144 broadens the presentation of discontinued operations to include a component of an entity, establishes criteria to determine when a long-lived asset is held for sale, prohibits retroactive reclassification of the asset as held for sale at the balance sheet date if the criteria are met after the balance sheet date but before issuance of the financial statements, and provides accounting guidance for the reclassification of an asset from "held for sale" to "held and used". The provisions of SFAS No. 144 are effective for fiscal years beginning after December 15, 2001. The Company has not yet determined the impact, if any, of adoption of SFAS No. 144.

(4) Inventories

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

	September 30, 2001	June 30, 2001
Raw materials. .	$ 7,505	$ 7,584
Work in progress	654	98
Finished goods .	24,288	22,312
	$ 32,447	$ 29,994

(5) 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 table below presents other comprehensive (income) loss:

(In thousands)	Foreign Currency Items	Unrealized Gains on Securities	Accumulated Other Comprehensive Loss
Beginning balance, July 1, 2001 . .	$ 29,572	-	$ 29,572
Current period change	(2,039)	(363)	(2,402)
Ending balance, September 30, 2001.	$ 27,533	(363)	$ 27,170

RESMED INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(5) Comprehensive Income, Continued

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 September 30, 2001 and June 30, 2001 consisted of foreign currency translation adjustments with net debit balances of $27.5 million and $29.6 million, respectively and unrealized gains on securities with net credit balance of $363,000 (net of tax of $187,000) and zero, respectively.

(6) Goodwill and Other Intangible Assets

As described in Note 3, the Company adopted SFAS 142 on July 1, 2001. The following table reconciles the prior year's reported operating income and net income to their respective pro-forma balances adjusted to exclude goodwill amortization expense which is no longer recorded under SFAS 142.

(In US$thousands, except per share amounts)	Three months ended September 30 2001	2000
Operating Income:		
Reported income from operations	$ 13,187	$9,107
Add back: goodwill amortization	-	153

Adjusted income from operations	$ 13,187	$9,260
Net Income:		
Reported Net Income	$ 8,538	$6,580
Add back: goodwill amortization after tax	-	153
Adjusted net income	$ 8,538	$6,733
Basic Earnings per share:		
Reported net income	$ 0.27	$ 0.21
Goodwill amortization after tax	-	-
	$ 0.27	$ 0.21
Diluted earning per share:		
Reported net income	$ 0.25	$ 0.20
Goodwill amortization after tax	-	-
	$ 0.25	$ 0.20

</TABLE>

RESMED INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(6) Goodwill and Other Intangible Assets, Continued

Changes in the carrying amount of goodwill for the three months ended September 30, 2001, were as follows:

<TABLE>
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(In US$thousands)	
Balance at June 30, 2001.	$47,870
Foreign currency translation adjustments.	3,502
Balance at September 30, 2001	$51,372

</TABLE>

Other intangible assets amounted to $1.6 million (net of accumulated amortization of $1.1 million) and $1.4 million (net of accumulated amortization of $1.0 million) at September 30, 2001 and June 30, 2001, respectively. These intangible assets consist of patents and are amortized over the estimated useful life of the patent, generally five years. There are no expected residual values related to these intangible assets.

(7) Commitments and Contingencies

We are currently engaged in litigation relating to the enforcement and defense of certain of our patents.

In January 1995, we 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 of our patents. In February 1995, Respironics filed a complaint in the United States District Court for the Western District of Pennsylvania against us seeking a declaratory judgment that Respironics does not infringe claims of these patents and that our 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, we 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 us reserving the right to reassert the charges in the event of a favorable ruling on appeal. It is our intention to appeal the summary judgment rulings after a final judgment in the consolidated litigation has been entered in the District Court proceedings.

RESMED INC AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)

(7) Commitments and Contingencies

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 our trademarks and patents. An initial decision has been made in favor of MAP. Hofrichter has filed an appeal and have sought Court determination that the MAP patents do not apply to certain Hofrichter products.

While we are prosecuting the above actions, there can be no assurance that we will be successful.

RESMED INC AND SUBSIDIARIES
MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

NET REVENUE

Net revenue increased for the three months ended September 30, 2001 to $46.1 million from $31.1million for the three months ended September 30, 2000, an increase of $15.0 million or 48%. The increase in net revenue is primarily 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 of MAP Medizin-Technologie GmbH "MAP" which contributed net revenue of $6.2 million. Net revenue in North and Latin America increased to $21.6 million from $17.4 million for the quarter and in Europe increased to $19.7 million from $9.8 million for the quarter.

GROSS PROFIT

Gross profit increased for the three months ended September 30, 2001 to $30.8 million from $21.1 million for the three months ended September 30, 2000, an increase of $9.7 million or 46%. Gross profit as a percentage of net revenue for the quarter ended September 30, 2001 was 67%, broadly consistent with the September 30, 2000 quarter of 68%.

SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Selling, general and administrative expenses increased for the three months ended September 30, 2001 to $14.3 million from $9.6 million for the three months ended September 30, 2000, an increase of $4.7 million or 49%. As a percentage of net revenue, selling, general and administrative expenses for the three months ended September 30, 2001 was 31% consistent with the quarter ended September 30, 2000. The increase in gross selling, general and administrative expenses was due primarily to an expansion of selling and administration personnel associated with the growth of company operations, including S, G & A expenses associated with MAP's operations.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses increased for the three months ended September 30, 2001 to $3.4 million from $2.4 million or 41%. As a percentage of net revenue, research and development expenses for the three months ended September 30, 2001 decreased to 7.3% from 7.7% for the period ended September 30, 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; also included is research and development expenditure undertaken by MAP.

OTHER INCOME (EXPENSES), NET

Other income (expenses), net decreased for the three months ended September 30, 2001 to net expense of $0.6 million from net income of $0.9 million for the three months ended September 30, 2000. The increase in other expense, net over the three-month period primarily reflects increased interest expense associated with the convertible debt issue in June 2001, partially offset by interest income from cash and marketable securities and foreign currency gains.

RESMED INC AND SUBSIDIARIES
MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

INCOME TAXES

The Company's effective income tax rate for the three months ended September 30, 2001 declined to approximately 32.1% from approximately 34.1% for the three months ended September 30, 2000. The lower tax rate was primarily due to the lowering of the corporate tax rate in Australia from 34% to 30%, effective from July 1, 2001.

LIQUIDITY AND CAPITAL RESOURCES

The Company had cash and cash equivalents and marketable securities available-for-sale of approximately $143.5 million and $102.8 million, at September 30, 2001 and June 30, 2001, respectively. The Company's working capital approximated $186.7 million and $144.3 million, at September 30, 2001 and June 30, 2001, respectively.

During the three months ended September 30, 2001, the Company's operations generated $11.2 million cash from operations, primarily as a result of increased profit from operations and improvement in working capital balances. During the three months ended September 30, 2000 approximately $6.3 million of cash was provided by operations.

The Company's capital expenditures for the three month periods ended September 30, 2001 and 2000 aggregated $2.7 million and $19.2 million, respectively. The majority of the expenditures in the three-month period ended September 30, 2001 related to the rollout of the Oracle ERP platform and to a lesser extent, production tooling and equipment. The majority of the expenditure in the three-month period ended September 30, 2000 related to the $17.2 million purchase of the land and buildings of the Company's US headquarters in Poway, California. As a result of these capital expenditures, the Company's September 30, 2001 balance sheet reflects net property, plant and equipment of approximately $54.9 million at September 30, 2001, compared to $55.1 million at June 30, 2001.

On July 3, 2001, the Company received $30.0 million in over allotments for its 4% convertible subordinated notes issue. This increased the total amount of convertible subordinated notes issued to $180.0 million.

On October 25, 2001, the Company purchased a 30-acre site at Norwest Business Park, located northwest of Sydney, Australia. The land cost, staged over an 18-month period, is approximately US$21 million and we expect the first building, a manufacturing facility, to be operational on this site in early 2003. New R&D and office facilities will follow by mid-2004. We estimate that the building costs will be approximately US$22.5 million and anticipate that this cost will be eventually more than half offset by the sale of the Company's existing Sydney facility. The purchase will be funded from existing cash reserves.

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 sales 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 and cash generated from operations.

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 expenditures. 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 Euro's and the 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 Company does not use foreign currency forward exchange contracts or purchased currency options for trading purposes.
The table below provides information about the Company's foreign currency derivative financial instruments 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 September 30, 2001. The table presents the notional amounts and weighted average exchange rates by 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 the options contracts.
<TABLE>
<CAPTION>

(In US$ thousands)	2002	2003	Total	Fair Value Assets / (Liabilities) September 30 2001	Fair Value Assets / (Liabilities) June 30 2001
<S>	<C>	<C>	<C>	<C>	<C>
Foreign Exchange Call Options					
(Receive AUS$/Pay US$)					
Option amount	$ 147,000	$ 18,000	$ 165,000	$278	$577
Average contractual exchange rate	AUS $1 = USD 0.593	AUS $1 = USD 0.560	AUS $1 = USD 0.589		
(Receive AUS$/Pay Euro)					
Option amount	$ 8,187	$ 8,126	$ 16,313	$205	$20
Average contractual exchange rate	AUS $1 = Euro 0.632	AUS $1 = Euro 0.574	AUS $1 = Euro 0.6034		

</TABLE>

INTEREST RATE RISK

We are exposed to risk associated with changes in interest rates affecting the return on investments.
At September 30, 2001, we maintained a portion of our cash and cash equivalents in financial instruments with original maturities of three months or less. We maintain a short-term investment portfolio containing financial instruments in which the majority of funds invested have original maturities of greater than three months but less than twelve months. The financial instruments, principally comprised of corporate obligations, are subject to interest rate risk and will decline in value if interest rates increase.
A hypothetical 100 basis point change in interest rates during the three months ended September 30, 2001, would have resulted in approximately $0.3 million change in pre-tax income. In addition, the value of our marketable securities would change by approximately $0.5 million following a hypothetical 100 basis point change in interest rates. We do not use derivative financial instruments in our investment portfolio.

PART II - OTHER INFORMATION Items 1-5

RESMED INC AND SUBSIDIARIES

Item 1 Legal Proceedings
Refer Note 7 to the Condensed Consolidated Financial Statements

Item 2 Changes in Securities and Use of Proceeds
None

Item 3 Defaults Upon Senior Securities
None

Item 4 Submission of Matters to a Vote of Security Holders
The Company's Annual Meeting of Shareholders was held on November 5, 2001. The holders of 25,734,326 shares of the Company's

stock (approximately 81% of the outstanding shares) were present at the meeting in person or by proxy. The matters voted upon at the meeting were (1) to elect two directors, to serve for a three-year term; (2) to ratify the selection of auditors of the Company for the fiscal year ending June 30, 2002; and (3) to transact such other business as may properly come before the meeting.

(1) Mr Michael A Quinn and Dr Christopher Bartlett, nominated by the Company's Board of Directors, were elected to serve until 2004. There were no other nominees.

Shares were voted as follows:

NAME	FOR	WITHHOLDING VOTE FOR
Mr Michael A Quinn	22,398,180	113,917
Dr Christopher Bartlett	22,397,980	114,117

(2) The selection of KPMG LLP as independent public accountants for the 2002 fiscal year was ratified: affirmative votes, 22,500,978 shares; negative votes 37,081 shares.

(3) There was no other business transacted at the meeting.

Item 5 Other Information

None

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