

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES  
EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED DECEMBER 31, 1996

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSACTION PERIOD FROM \_\_\_\_\_ TO  
\_\_\_\_\_

Commission file number: 0-26038

ResMed Inc.

(Exact name of registrant as specified in its charter)

Delaware 98-0152841  
(State or other jurisdiction of (I.R.S Employer  
incorporation or organization) Identification No.)

5744 Pacific Center Boulevard  
Suite 311  
San Diego CA 92121  
United States Of America  
(Address of principal executive offices)

619 622 2040  
(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  No

As of December 31, 1996, 7,191,844 shares of Common Stock (\$0.004 par value)  
were outstanding.

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PART I. FINANCIAL INFORMATION

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Item 1. Financial Statements  
RESMED INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets  
(in US\$ thousands, except per share data)

<S>	<C>	<C>
	December 31,	June 30,
	1996	1996
	-----	-----
Assets	(unaudited)	
Current assets:		
Cash and cash equivalents	8,612	5,510
Marketable securities - available for sale	17,629	18,021
Accounts receivable, net of allowance of \$175 at December 31, 1996 and June 30, 1996	6,895	6,252
Government grants	888	915
Inventories	5,685	6,134
Prepaid expenses and other current assets	1,913	1,014
Total current assets	41,622	37,846
Property, plant and equipment, net	3,903	3,284
Patents, net of accumulated amortization of \$302 at December 31, 1996 and \$260 at June 30, 1996	258	217
Deferred income taxes	25	27
Goodwill, net	5,052	4,309
Other assets	1,410	1,263
Total assets	52,270	46,946
	=====	=====
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	2,428	2,421
Accrued expenses	4,184	2,815
Income taxes payable	2,371	1,857
Current portion of long-term debt	291	289
Total current liabilities	9,274	7,382
Long-term debt, less current portion	437	578
Total liabilities	9,711	7,960
	-----	-----
Stockholders' equity:		
Preferred stock, \$0.01 par value, 2,000,000 shares authorized; none issued	-	-
Common Stock \$0.004 par value; 15,000,000 shares authorized; issued and outstanding 7,191,844 at December 31, 1996 and 7,172,408 at June 30, 1996	29	29
Additional paid-in capital	29,530	29,407
Retained earnings	12,625	9,103
Foreign currency translation adjustment	375	447
	42,559	38,986
	-----	-----
Commitments and contingencies		

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

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RESMED INC. AND SUBSIDIARIES

<TABLE>  
<CAPTION>

Unaudited Condensed Consolidated Statements of Income  
(in US\$ thousands, except share and per share data)

<S>	<C>	Three Months Ended December 31		Six Months Ended December 31,	
		1996	1995	1996	1995
Net revenue		11,587	7,896	22,728	14,599
Cost of sales		4,715	4,004	9,565	7,216
Gross profit		6,872	3,892	13,163	7,383
Operating expenses					
Selling, general and administrative expenses		4,134	2,469	8,056	4,599
Research and development expenses		891	691	1,682	1,371
Total operating expenses		5,025	3,160	9,738	5,970
Income from operations		1,847	732	3,425	1,413
Other income, net:					
Interest income, net		301	274	544	531
Government grants		89	170	178	305
Other income, net		237	91	1,033	241
Total other income, net		627	535	1,755	1,077
Income before income taxes		2,474	1,267	5,180	2,490
Income taxes		792	345	1,658	688
Net income		1,682	922	3,522	1,802
Net income per common and common equivalent share:					
Primary		0.23	0.13	0.48	0.25
Assuming full dilution		0.23	0.13	0.48	0.25
Weighted average shares per common and common equivalent outstanding:					
Primary		7,320	7,194	7,308	7,173
Assuming full dilution		7,373	7,188	7,354	7,188

See accompanying notes to condensed consolidated financial statements.

</TABLE>

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RESMED INC. AND SUBSIDIARIES

<TABLE>  
<CAPTION>

Unaudited Condensed Consolidated Statements of Cash Flows  
(in US\$ thousands)

<S>	<C>	Six Months Ended December 31,	
		1996	1995

Cash flows from operating activities:		
Net income	3,522	1,802
Adjustment to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,076	395
Provision for service warranties	40	12
Deferred income taxes	2	686
Foreign currency options	(792)	57
Changes in operating assets and liabilities:		
Accounts receivable, net	(516)	(1,388)
Government grants	35	80
Inventories	330	(871)
Prepaid expenses and other current assets	(751)	(206)
Accounts payable, accrued expenses and other liabilities	1,693	(1,145)
Net cash provided by (used in) operating activities	4,639	(578)
Cash flows used in investing activities:		
Purchases of property, plant and equipment	(1,426)	(649)
Purchases of patents	(81)	(37)
Purchase of non-trading investments	-	(329)
Proceeds from sale of non-trading investments	738	-
Loans receivable	(150)	-
Deferred payments business acquisition	(991)	-
Purchases of marketable securities - available for sale	(25,560)	(45,752)
Proceeds from sale of marketable securities - available for sale	25,953	41,633
Net cash used in investing activities	(1,517)	(5,134)
Cash flows provided by (used in) financing activities:		
Proceeds from issuance of common stock	122	5,059
Repayment of long-term debt	(146)	-
Net cash provided by (used in) financing activities	(24)	5,059
Effect of exchange rate changes on cash	4	96
Net increase (decrease) in cash and cash equivalents	3,102	(557)
Cash and cash equivalents at beginning of period	5,510	3,256
Cash and cash equivalents at end of period	8,612	2,699
Supplemental disclosure of cash flow information:		
Income taxes paid	1,107	440
Interest paid	-	-

See accompanying notes to condensed consolidated financial statements.

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RESMED INC. AND SUBSIDIARIES

NOTES TO THE 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 ResMed Holdings Ltd. (RHL), a company resident in Australia. RHL 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 and Europe.

The accompanying unaudited 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 December 31, 1996 and the six months ended December 31, 1996 are not necessarily indicative of the results that may be expected for the year ended June 30, 1997.

(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.

(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.

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RESMED INC. AND SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(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 is recorded at cost. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets, generally two to 10 years. Assets held under capital leases are recorded at the lower of the net present value of the minimum lease payments or the fair value of the leased asset at the inception of the lease. Amortization expense is computed using the straight-line method over the shorter of the estimated useful lives of the assets or the period of the related lease. 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) 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 of the Company's proprietary positive airway pressure technology and to assist development of export markets. Grants have been recognized in the amount of \$89,000 and \$170,000 for the three month period ended December 31, 1996 and 1995, respectively and \$178,000 and \$305,000 for the six month periods ended December 31, 1996 and 1995, respectively. Subsequent to June 30, 1996 the Company ceased to qualify for the payment of grants for the development of export markets.

(h) Foreign Currency:

The consolidated financial statements of the Company's non-U.S. subsidiaries are translated into US dollars for financial reporting purposes. Assets and liabilities of non-U.S. subsidiaries whose functional currencies are other than the US dollar are translated at average exchange rates throughout the year. Cumulative translation effects are reflected in stockholders' equity. Gains and losses on transactions, denominated in other than the functional currency of the entity, are reflected in operations.

(i) Research and Development:

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

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RESMED INC. AND SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(2) Summary of Significant Accounting Policies, Continued

(j) Net Income per Common and Common Equivalent Share:

Primary net income per common and common equivalent share and net income per common and common equivalent share, assuming full dilution, are computed using the weighted average number of shares outstanding. There is adjustment for the incremental shares attributed to outstanding options to purchase

common stock as determined under the treasury stock method.

(k) 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, accounts payable and long-term debt, approximate their fair value. The Company does not hold or issue financial instruments for trading purposes.

The following table presents carrying amounts and estimated fair values of the Company's financial instruments at December 31, 1996 and June 30, 1996.

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.

<TABLE>

<CAPTION>

<S>	December 31, 1996		June 30, 1996	
	<C> Carrying Amount	<C> Fair Value	<C> Carrying Amount	<C> Fair Value
(US\$ in thousands)				
Financial assets				
Cash and cash equivalents	\$ 8,612	8,612	5,510	5,510
Marketable securities - available for sale	17,629	17,629	18,021	18,021
Accounts receivable, net	6,895	6,895	6,252	6,252
Government grants	888	888	915	915
Other assets	1,410	1,410	1,263	1,263
Financial liabilities				
Accounts payable	2,428	2,428	2,421	2,421
Long - term debt	728	728	867	867

</TABLE>

Carrying amounts shown in the table are included in the statement of financial position under the indicated captions.

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RESMED INC. AND SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(2) Summary of Significant Accounting Policies, Continued

(1) Foreign Exchange Risk Management:

The Company enters into various types of foreign exchange contracts in managing its foreign exchange risk, including derivative financial instruments encompassing forward exchange contracts and foreign currency options.

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, Pound Sterling and Deutschmarks. The term of such foreign exchange contracts generally do not exceed three years.

Premiums to enter certain foreign currency options are included in other assets and are amortized over the period of the agreement in the consolidated statement of income against other income, net. At December 31, 1996 unamortized premiums amounted to \$327,000.

Unrealized gains or losses are recognized as incurred in the statement of financial position 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.

Foreign currency option contracts have been purchased in part by the issue of put options to counterparts. As a result, should foreign exchange rates drop below a specified level, on a specific date, the Company is required to deliver certain funds to counterparts at contracted foreign exchange rates. As at December 31, 1996 none of the put options issued by the Company are exercisable as foreign exchange rates remain above the foreign exchange rates specified.

The Company is exposed to credit-related losses in the event of

non-performance by counterparts to financial instruments, but it does not expect any counterparts to fail to meet their obligations given their high credit ratings. The credit exposure of foreign exchange options is represented by the fair value of options with a positive fair value at the reporting date.

At December 31, 1996 the Company held foreign currency option contracts with notional amounts totaling \$42,589,000 to hedge foreign currency items. These contracts mature at various dates prior to December 31, 1998.

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RESMED INC. AND SUBSIDIARIES

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(2) Summary of Significant Accounting Policies, Continued

(m) Income Taxes:

The Company accounts for income taxes under Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" (Statement 109). Statement 109 requires an asset and liability method of accounting for income taxes. Under the asset and liability method of Statement 109, 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. Under Statement 109, 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.

(3) Inventories

<TABLE>  
<CAPTION>

Inventories were comprised of the following at December 31, 1996 and June 30, 1996:

<S>	<C>	
	December 31, 1996	June 30, 1996
	-----	-----
Raw materials	\$ 1,577	\$ 2,088
Work in progress	503	257
Finished goods	3,605	3,789
	\$ <u>5,685</u>	\$ <u>6,134</u>
	=====	=====

</TABLE>

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RESMED INC. AND SUBSIDIARIES

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Net Revenues

Net revenues increased for the three months ended December 31, 1996 to \$11.6 million from \$7.9 million for the three months ended December 31, 1995, an increase of \$3.7 million or 47%. For the six month period ended December 31, 1996 net revenues increased to \$22.7 million from \$14.6 million in the six month period ended December 31, 1995 an increase of \$8.1 million or 56%. Both the three month and six month increases in net revenues were primarily attributable to an increase in unit sales of the Company's flow generators and accessories in North America and Europe. Europe benefited from additional revenues generated in Germany from the Priess business acquired in February 1996. In fiscal 1997 net revenues in North America increased to \$4.9 million from \$4.1 million for the quarter, and to \$9.3 million from \$7.6 million for the six month period ended December 31. In Europe net revenue increased to \$5.2 million from \$2.5 million for the quarter, and to \$10.6 million from \$4.4 million for the six month December 31, respectively.

Gross Profit

Gross profit increased for the three months ended December 31, 1996 to \$6.9 million from \$3.9 million for the three months ended December 31, 1995, an increase of \$3.0 million or 77%. Gross profit as a percentage of net revenues increased for the quarter ended December 31, 1996 to 59% from 49% in three

months ended December 31, 1995. These increases resulted primarily from increased unit sales, a shift to higher margin products, and continuing strong European revenues.

For the six month period ended December 31, 1996 gross profit also increased to \$13.2 million from \$7.4 million in the same period of fiscal 1996 an increase of \$5.8 million or 78%. Gross profit as a percentage of net revenues increased for the six month period ended December 31, 1996 to 58% from 51% achieved for the six months ended December 31, 1995. These increases also resulted from increased revenues, higher margin product sales and strong European sales.

#### Selling, General and Administrative Expenses

Selling, general and administrative expenses increased for the three months ended December 31, 1996 to \$4.1 million from \$2.5 million for the three months ended December 31, 1995, an increase of \$1.7 million or 67%. As a percentage of net revenues, selling, general and administrative expenses increased to 36% for the quarter ended December 31, 1996 from 31% for the three months ended December 31, 1995. The increase in gross selling, general and administrative expenses was primarily due to an increase from 74 to 91 in the number of sales and administrative personnel, including 24 persons employed on acquisition of Priess. There was also a marginal increase in legal costs from \$323,000 to \$347,000 associated, with ongoing legal action (refer Part II Item 1) and other expenses related to the increase in Company sales.

Selling, general and administrative expenses for the six months ended December 31, 1996 also increased to \$8.1 million from \$4.6 million for the six months ended December 31, 1995, an increase of \$3.5 million or 75%. As a percentage of net revenues selling, general and administration expenses increased to 35% for the six months ended December 31, 1996 from 32% in the six months ended December 31, 1995.

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#### RESMED INC. AND SUBSIDIARIES

#### MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

#### Research and Development Expenses

Research and development expenses increased for the three months ended December 31, 1996 to \$891,000 from \$691,000 for the three months ended December 31, 1995, an increase of \$200,000 or 29%. As a percentage of net revenues, research and development expenses for the three months ended December 31, 1996 decreased to 8% from 9% for the period ended December 31, 1995. The increase in gross research and development expenses was due to an increased use of consultants as well as increased evaluation and testing procedures incurred to facilitate development of a number of new products.

For the six month period ended December 31, 1996 research and development expenses increased to \$1.7 million from \$1.4 million for the corresponding period in fiscal 1996, an increase of \$311,000 or 23%. As a percentage of net revenues, research and development expenses declined for the six months ended December 31, 1996 to 7% from 9% for the six months ended December 31, 1995. The increase in gross research and development expenditure for the six months reflects additional costs relating to development and evaluation of new products.

#### Other Net Income

Other net income, increased for the three months ended December 31, 1996 to \$627,000 from \$535,000 for the three months ended December 31, 1995, an increase of \$92,000 or 17%. This increase was due primarily to net foreign exchange gains of \$223,000 arising from deliveries of foreign currency option contracts and gains of \$75,000 relating to revaluation of foreign currency option contracts. Government grants income declined for the three months ended December 31, 1996 to \$89,000 from \$170,000 for the three months ended December 31, 1995 reflecting the termination of Australian Federal Government export grants program effective June 30, 1996. This termination was marginally offset by an increase in both manufacturing and research activity for which the Company receives grant revenues.

Other net income increased for the six months ended December 31, 1996 to \$1.8 million, from \$1.1 million for the six months ended December 31, 1995 an increase of \$678,000 or 63%. The increase in other net income over the six month period for the corresponding period in fiscal 1996, primarily reflects recognition of a gain of \$825,000 relating to realization of foreign currency option contracts.

#### Income Taxes

The Company's effective income tax rate for the three months ended December 31, 1996 increased to approximately 32% from approximately 27% for the three months ended December 31, 1995 and to 32% from 28% for the six month period



then ended. The increased tax rate primarily relates to a relatively higher German effective corporate taxation rate. This effective tax rate increase is partially offset by an increase in Australian research and development expenses incurred in fiscal 1997 over fiscal 1996 for which the Company receives a 150% deduction under Australian tax law. The 150% research and development deduction was only available on expenses incurred up to August 20, 1996. Subsequent to August 20, 1996 the Company receives a 125% deduction for research and development expenditures incurred in Australia, due to revised Australian taxation legislation.

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RESMED INC. AND SUBSIDIARIES

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Liquidity and Capital Resources

As of December 31, 1996 and June 30, 1996, the Company had cash and cash equivalents and marketable securities available for sale of approximately \$26.2 million and \$23.5 million, respectively. The Company's working capital approximated \$32.3 million and \$30.5 million, at December 31, 1996 and June 30, 1996, respectively. The increase in working capital balances reflects the increase in cash generated from operations.

During the six months ended December 31, 1996, the Company's operations generated \$4.6 million cash from operations, primarily as a result of increased profit from operations, offset partially by increases in accounts receivable due to increased sales. During the six months ended December 31, 1995 approximately \$0.6 million of cash was used by operations primarily due to increased inventory and increased accounts receivable levels.

The Company's capital expenditures for the six month period ended December 30, 1996 and 1995 aggregated \$1,426,000 and \$649,000 respectively. The majority of the expenditures in the six month period ending December 31, 1996 relates to purchase of computer software and hardware, production tooling and equipment and, to a lesser extent, office furniture and research and development equipment. As a result of these capital expenditures, the Company's December 31, 1996 balance sheet reflects net property plant and equipment of approximately \$3.9 million at December 31, 1996, compared to \$3.3 million at June 30, 1996.

In addition, during the six month period ended December 31, 1996 the Company realized \$738,000 from the restructuring of its foreign currency options and paid \$991,000 in deferred business acquisition payments in relation to acquisition of Priess in February 1996.

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.

In May 1993, the Australian Federal Government agreed to lend the Company up to \$870,000 over a six year term. Such a loan bears no interest for the first three years but bears interest at a rate of 3.8% thereafter until maturity. The outstanding principal balance of such loan was \$728,000 and \$867,000 at December 31, 1996 and June 30, 1996, respectively.

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RESMED INC. AND SUBSIDIARIES

PART II OTHER INFORMATION

Item 1. Legal Proceedings

In October 1994, in Australia, a patent held by ResMed was revoked on appeal on grounds that the patent was not entitled to claim priority to a "provisional" application, which was filed before the inventor's publication. As a result of this claim, ResMed, based in part on advice from legal counsel, at June 30, 1994 accrued approximately \$300,000 for costs associated with this patent litigation which remains outstanding at December 31, 1996. This amount is included in accrued expenses on consolidated balance sheets.

In January 1995, the Company filed a complaint for patent infringement in the United States District Court against Respiroics Inc., a Delaware registered company. In response, in February 1995, Respiroics filed a complaint against the Company that asserts, (i) Respiroics does not infringe the subject patents; and (ii) that the subject patents are invalid and unenforceable. Management believes, based, in part on advice from legal counsel, that this action will not have a material adverse effect on the operations or financial position of the Company.

In May 1995, Respironics and its Australian distributor filed a statement of claim against the Company and its President in the Federal Court of Australia, New South Wales District Registry. The statement of claim alleges that the Company engaged in unfair trade practices, including misuse of the power afforded by its Australian patents and dominant market position in violation of the Australian Trade Practices Act. The statement of claim asserts damage claims in the aggregate amount of approximately \$901,000, constituting lost profit on sales. While the Company intends to defend this action vigorously, there can be no assurance that the Company will be successful in defending such action or that the Company will not be required to make significant payments to the claimants. Furthermore, the Company expects to incur ongoing legal costs in defending such action.

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

None

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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

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<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM  
RESMED INC'S SECOND QUARTER DECEMBER 31, 1996 FINANCIAL REPORT AND IS QUALIFIED  
IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

<CIK> 0000943819

<NAME> RESMED INC

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<CURRENCY> USD \$ CURRENCY

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<LOSS-PROVISION>	0	0	
<INTEREST-EXPENSE>	0	0	
<INCOME-PRETAX>	5,180,000	2,490,000	
<INCOME-TAX>	1,658,000	688,000	
<INCOME-CONTINUING>	3,522,000	1,802,000	
<DISCONTINUED>	0	0	
<EXTRAORDINARY>	0	0	
<CHANGES>	0	0	
<NET-INCOME>	3,522,000	1,802,000	
<EPS-PRIMARY>	\$0.48	\$0.25	
<EPS-DILUTED>	\$0.48	\$0.25	

</TABLE>