

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 MARCH 31, 1997

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 March 31, 1997, there were 7,193,777 shares of Common Stock (\$0.004 par
value) outstanding.

INDEX

<TABLE>
<CAPTION>

PART I FINANCIAL INFORMATION

			<C>
			Page
Item 1	Financial Statements		
	Condensed Consolidated Balance Sheets as of March 31, 1997 (unaudited) and June 30, 1996		3
	Unaudited Condensed Consolidated Statements of Income for the Three Months Ended March 31, 1997 and 1996 and the Nine Months ended March 31, 1997 and 1996		4
	Unaudited Condensed Consolidated Statements of Cash Flows for the Nine Months Ended March 31, 1997 and 1996		5
	Notes to the Unaudited Condensed Consolidated Financial Statements		6
Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations		11

</TABLE>

<TABLE>
<CAPTION>

PART II OTHER INFORMATION

<S>	<C>	<C>
Item 1	Legal Proceedings	14
Item 2	Changes in Securities	14
Item 3	Defaults Upon Senior Securities	14
Item 4	Submission of Matters to a Vote of Security Holders	14
Item 5	Other Information	14
Item 6	Exhibits and Reports on Form 8-K	14
SIGNATURES		16
</TABLE>		

- -2-

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements
<TABLE>
<CAPTION>

RESMED INC. AND SUBSIDIARIES

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

	<C>	<C>
	March 31,	June 30,
	1997	1996
	-----	-----
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	8,635	5,510
Marketable securities - available for sale	18,667	18,021
Accounts receivable, net of allowance of \$188 at March 31, 1997 and \$175 at June 30, 1996	7,794	6,252
Government grants receivable	772	915
Inventories	5,165	6,134
Prepaid expenses and other current assets	2,121	1,014
Total current assets	43,154	37,846
Property, plant and equipment, net	4,407	3,284
Patents, net of accumulated amortization of \$319 at March 31, 1997 and \$260 at June 30, 1996	258	217
Deferred income taxes	29	27
Goodwill, net	4,586	4,309
Other assets	1,209	1,263
Total assets	53,643	46,946
	=====	=====
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	1,730	2,421
Accrued expenses	5,021	2,815
Income taxes payable	2,601	1,857
Current portion of long-term debt	289	289
Total current liabilities	9,641	7,382
Long-term debt, less current portion	431	578
Total liabilities	10,072	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 7,193,777 at March 31, 1997

7,172,408 at June 30, 1996

Additional paid-in capital

Retained earnings

Foreign currency translation adjustment

	29	29
	29,551	29,407
	14,523	9,103
	(532)	447
	<u>43,571</u>	<u>38,986</u>
Commitments and contingencies		
Total liabilities and stockholders' equity	<u>53,643</u>	<u>46,946</u>
	=====	=====

<FN>

See accompanying notes to condensed consolidated financial statements.

</TABLE>

- -3-

RESMED INC. AND SUBSIDIARIES

<TABLE>

<CAPTION>

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

Months Ended	Three Months Ended			Nine
	March 31			
March 31,				
-----		-----		-----
<S>	<C>	<C>	<C>	<C>
1996	1997	1996	1997	
-----	-----	-----	-----	-----
Net revenue	12,468	9,360	35,196	
23,959				
Cost of sales	5,120	4,774	14,685	
11,990				
	<u>7,348</u>	<u>4,586</u>	<u>20,511</u>	
Gross profit				
11,969				
Operating expenses				
Selling, general and administrative expenses	4,064	2,902	12,120	
7,501				
Research and development expenses	1,065	640	2,747	
2,011				
	<u>5,129</u>	<u>3,542</u>	<u>14,867</u>	
Total operating expenses				
9,512				
Income from operations	2,219	1,044	5,644	
2,457				
Other income, net:				
Interest income, net	307	283	851	
814				
Government grants	41	129	219	
434				
Other income, net	266	353	1,299	
594				
	<u>614</u>	<u>765</u>	<u>2,369</u>	
Total other income, net				
1,842				
Income before income taxes	2,833	1,809	8,013	
4,299				
Income taxes	935	602	2,593	

1,290

Net income	1,898	1,207	5,420
3,009			
=====			
Net income per common and common equivalent share:			
Primary	\$ 0.26	\$ 0.17	\$ 0.74
0.42			
Assuming full dilution	\$ 0.26	\$ 0.17	\$ 0.74
0.42			
Weighted average shares per common and common equivalent outstanding:			
Primary	7,365	7,193	7,327
7,179			
Assuming full dilution	7,366	7,227	7,358
7,201			

See accompanying notes to condensed consolidated financial statements.

</TABLE>

- -4-

RESMED INC. AND SUBSIDIARIES

<TABLE>
<CAPTION>

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

	Nine Months Ended March 31,	
	1997	1996
Cash flows from operating activities:		
Net income	5,420	3,009
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,786	743
Provision for service warranties	63	(8)
Deferred income taxes	2	11
Foreign currency options	(935)	(493)
Changes in operating assets and liabilities net of effects from acquisitions:		
Accounts receivable, net	(1,586)	(1,805)
Government grants	139	(48)
Inventories	577	(133)
Prepaid expenses and other current assets	(1,139)	(585)
Accounts payable, accrued expenses and income tax payable	2,354	270
Net cash provided by operating activities	6,681	961
Cash flows used in investing activities:		
Purchases of property, plant and equipment	(2,594)	(931)
Purchases of patents	(105)	(44)
Payment business acquisitions	(1,035)	(6,517)
Proceeds from sale of non trading investments	1,243	-
Loans receivable	(225)	-
Purchase of non-trading investments	-	(350)
Purchases of marketable securities - available for sale	(40,794)	(76,392)
Proceeds from sale of marketable securities - available for sale	40,148	78,821
Net cash used in investing activities	(3,362)	(5,413)
Cash flows provided by (used in) financing activities:		
Proceeds from issuance of common stock	143	4,991
Repayment of long term debt	(146)	-
Net cash provided by (used in) financing activities	(3)	4,991
Effect of exchange rate changes on cash	(191)	214

Net increase in cash and cash equivalents	3,125	753
Cash and cash equivalents at beginning of period	<u>5,510</u>	<u>3,256</u>
Cash and cash equivalents at end of period	<u>8,635</u>	<u>4,009</u>
Supplemental disclosure of cash flow information:		
Income taxes paid	1,755	945
Interest paid	-	-
<FN>		

See accompany notes to condensed consolidated financial statements.

</TABLE>

- -5-

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 March 31, 1997 and the nine months ended March 31, 1997 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.

- -6-

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 \$41,000 and \$129,000 for the three month period ended March 31, 1997 and 1996, respectively and \$219,000 and \$434,000 for the nine month periods ended March 31, 1997 and 1996, 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 U.S. dollars for financial reporting purposes. Assets and liabilities of non-U.S. subsidiaries whose functional currencies are other than the U.S. dollar are translated at period end exchange rates, revenue and expense transactions are translated at average exchange rates for the period. 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.

- -7-

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, adjusted 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 March 31, 1997 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>

	March 31, 1997		June 30, 1996	
<S>	<C>	<C>	<C>	<C>
	Carrying	Fair	Carrying	Fair
	Amount	Value	Amount	Value
	-----	-----	-----	-----

(US\$in thousands)
Financial assets

Cash and cash equivalents	\$ 8,635	8,635	5,510	5,510
Marketable securities -				
available for sale	18,667	18,667	18,021	18,021
Accounts receivable, net	7,794	7,794	6,252	6,252
Government grants	772	772	915	915
Other assets	1,209	1,209	1,263	1,263
Financial liabilities				
Accounts payable	1,730	1,730	2,421	2,421
Long - term debt	720	720	867	867

</TABLE>

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

- -8-

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 terms 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 March 31, 1997 unamortized premiums amounted to \$805,398.

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.

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 March 31, 1997 the Company held foreign currency option contracts with notional amounts totaling \$25,227,000 to hedge foreign currency items. These contracts mature at various dates prior to March 1999.

(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.

- -9-

(3) Inventories

<TABLE>

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Inventories were comprised of the following at March 31, 1997 and June 30, 1996:

	March 31, 1997	June 30, 1996
Raw materials	\$ 1,550	\$ 2,088
Work in progress	497	257
Finished goods	3,118	3,789
	<u>\$ 5,165</u>	<u>\$ 6,134</u>

</TABLE>

- -10-

RESMED INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Net Revenues

Net revenues increased for the three months ended March 31, 1997 to \$12.5 million from \$9.4 million for the three months ended March 31, 1996, an increase of \$3.1 million or 33%. For the nine month period ended March 31, 1997 net revenues increased to \$35.2 million from \$24.0 million in the nine month period ended March 31, 1996 an increase of \$11.2 million or 47%. Both the three month and nine 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. In fiscal 1997 net revenues in North America increased to \$5.4 million from \$4.5 million for the quarter, and to \$14.7 million from \$12.1 million for the nine month period ended March 31. In Europe net revenue increased to \$5.2 million from \$3.6 million for the quarter, and to \$15.8 million from \$8.0 million for the nine month period ended March 31, respectively.

Gross Profit

Gross profit increased for the three months ended March 31, 1997 to \$7.4 million from \$4.6 million for the three months ended March 31, 1996, an increase of \$2.8 million or 60%. Gross profit as a percentage of net revenues increased for the quarter ended March 31, 1997 to 59% from 49% in three months ended March 31, 1996. These increases resulted primarily from increased unit sales of higher margin products.

For the nine month period ended March 31, 1997 gross profit also increased to

\$20.5 million from \$12.0 million in the same period of fiscal 1996 an increase of \$8.5 million or 71%. Gross profit as a percentage of net revenues increased for the nine month period ended March 31, 1997 to 58% from 50% achieved for the nine months ended March 31, 1996. These increases also resulted from increased unit sales of higher margin products and strong European sales.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased for the three months ended March 31, 1997 to \$4.1 million from \$2.9 million for the three months ended March 31, 1996, an increase of \$1.2 million or 40%. As a percentage of net revenues, selling, general and administrative expenses increased to 33% for the quarter ended March 31, 1997 from 31% for the three months ended March 31, 1996. The increase in gross selling, general and administrative expenses was due to an increase from 90 to 103 in the number of sales and administrative personnel, an increase in legal fees from \$129,000 to \$331,000 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 nine months ended March 31, 1997 also increased to \$12.1 million from \$7.5 million for the nine months ended March 31, 1996, an increase of \$4.6 million or 62%. As a percentage of net revenues, selling, general and administration expenses increased to 34% for the nine months ended March 31, 1997 from 31% in the nine months ended March 31, 1996.

The increase in selling, general and administrative expenses was primarily due to the increase in the number of sales and administrative personnel noted above, an increase in legal fees from \$512,000 to \$1,006,000 and other expenses related to direct distribution activities in Europe.

- -11-

RESMED INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Research and Development Expenses

Research and development expenses increased for the three months ended March 31, 1997 to \$1,065,000 from \$640,000 for the three months ended March 31, 1996, an increase of \$425,000 or 66%. As a percentage of net revenues, research and development expenses for the three months ended March 31, 1997 increased to 9% from 7% for the period ended March 31, 1996. 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 nine month period ended March 31, 1997 research and development expenses increased to \$2.7 million from \$2.0 million for the corresponding period in fiscal 1996, an increase of \$736,000 or 37%. As a percentage of net revenues, research and development expenses remained static for the nine months ended March 31, 1997 at 8%. The increase in gross research and development expenditure for the nine months reflects additional costs relating to development and evaluation of new products.

Other Income, Net

Other income, net declined for the three months ended March 31, 1997 to \$614,000 from \$765,000 for the three months ended March 31, 1996, a decrease of \$151,000 or 20%. A large proportion of this decrease arose due to a decline in Government grants income for the three months ended March 31, 1997 to \$41,000 from \$129,000 for the three months ended March 31, 1996 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 income, net increased for the nine months ended March 31, 1997 to \$2.4 million, from \$1.8 million for the nine months ended March 31, 1996 an increase of \$527,000 or 29%. The increase in other net income over the nine month period for the corresponding period in fiscal 1996, primarily reflects additional foreign currency gains of \$1,576,000 relating to foreign currency option contracts.

Income Taxes

The Company's effective income tax rate for the three months ended March 31, 1997 remained static at approximately 33% in comparison to the three months ended March 31, 1996 and to 32% from 30% for the nine month period then ended.

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.

- -12-

RESMED INC. AND SUBSIDIARIES

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Liquidity and Capital Resources

As of March 31, 1997 and June 30, 1996, the Company had cash and cash equivalents and marketable securities available for sale of approximately \$27.3 million and \$23.5 million, respectively. The Company's working capital approximated \$33.7 million and \$30.5 million, at March 31, 1997 and June 30, 1996, respectively. The increase in working capital balances reflects the increase in cash generated from operations.

During the nine months ended March 31, 1997, the Company's operations generated \$6.7 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 nine months ended March 31, 1996 approximately \$1.0 million of cash was generated by operations.

The Company's capital expenditures for the nine month period ended March 31, 1997 and 1996 aggregated \$2.7 million and \$1.0 million respectively. The majority of the expenditures in the nine month period ending March 31, 1997 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 March 31, 1997 balance sheet reflects net property plant and equipment of approximately \$4.6 million, compared to \$3.3 million at June 30, 1996.

In addition, during the nine month period ended March 31, 1997 the Company realized \$1.2 million from the restructuring of its foreign currency options and paid \$1.0 million in business acquisition payments in relation to the acquisition of Priess and the liquid silicone moulding operations of TQR Pty Limited in February 1997.

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 \$720,000 and \$867,000 at March 31, 1997 and June 30, 1996, respectively.

- -13-

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. On March 24, 1997 the Federal Court of Australia issued a

determination in respect to the outstanding costs which required ResMed to pay approximately \$246,000 in final and total settlement of all claims. This amount is included in the \$300,000 provided and is disclosed 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, Respiroics 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

- -14-

RESMED INC. AND SUBSIDIARIES

Item 6. Exhibits and Report on Form 8K

Exhibits

Exhibit 27.1 Financial Data Schedule

Report on Form 8-K

The Company lodged a report under item 5 of Form 8-K on May 5, 1997, in relation to the declaration of a dividend paid in the form of preferred stock purchase rights, issued pursuant to a Rights Agreement dated April 23, 1997 between the Company and American Stock Transfer and Trust Company.

Exhibits thereto

[4.] Rights Agreement, dated as of April 23, 1997, between ResMed, Inc. and American Stock Transfer & Trust Company, which includes the form of Certificate of Determination of the Series A Junior Participating Preferred Stock of ResMed, Inc. as Exhibit A, the form of Right Certificate as Exhibit B and the Summary of Rights to Purchase Preferred Shares as Exhibit C.

[20.] Form of Letter to be sent to the holders of ResMed, Inc. Common Stock.

[99.] Text of Press Release, dated April 16, 1997.

- -15-

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

- -16-

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM
RESMED INC'S THIRD QUARTER MARCH 31, 1997 FINANCIAL REPORT AND IS QUALIFIED
IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

<CIK> 0000943819

<NAME> RESMED INC

<MULTIPLIER> 1

<CURRENCY> USD \$ CURRENCY

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<CASH>	8,635,000	4,009,000
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<PP&E>	4,407,000	2,954,000
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<TOTAL-ASSETS>	53,643,000	44,349,000
<CURRENT-LIABILITIES>	9,641,000	5,972,000
<BONDS>	0	0
<PREFERRED-MANDATORY>	0	0
<PREFERRED>	0	0
<COMMON>	29,000	29,000
<OTHER-SE>	29,551,000	29,381,000
<TOTAL-LIABILITY-AND-EQUITY>	53,643,000	44,349,000
<SALES>	35,196,000	23,959,000
<TOTAL-REVENUES>	35,196,000	23,959,000
<CGS>	14,685,000	11,990,000
<TOTAL-COSTS>	0	0
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<INTEREST-EXPENSE>	0	0
<INCOME-PRETAX>	8,013,000	4,299,000
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<INCOME-CONTINUING>	5,420,000	3,009,000
<DISCONTINUED>	0	0
<EXTRAORDINARY>	0	0
<CHANGES>	0	0
<NET-INCOME>	5,420,000	3,009,000
<EPS-PRIMARY>	\$0.74	\$0.42
<EPS-DILUTED>	\$0.74	\$0.42

</TABLE>