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, 1999

[ ] 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 incorporation or organization)	(I.R.S Employer Identification No.)

10121 Carroll Canyon Road
San Diego CA 92131-1109
United States Of America
(Address of principal executive offices)

858 689 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, 1999, 14,876,459 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)

<CAPTION>

		September 30, 1999 (unaudited)	June 30, 1999
<S>	<C>		<C>
Assets			
Current assets:			
Cash and cash equivalents	$	10,835	11,108
Marketable securities - available for sale.		6,710	5,626
Accounts receivable, net of allowance for doubtful accounts of $565 at September 30, 1999 and $421 at June 30, 1999		20,105	17,898
Government grants receivable.		39	-
Inventories, net.		13,988	10,725
Deferred income taxes		2,399	2,392
Prepaid expenses and other current assets		2,151	3,022
Total current assets		56,227	50,771
Property, plant and equipment, net of accumulated amortization of $9,591 at September 30, 1999 and $8,511 at June 30, 1999		30,176	29,322
Patents, net of accumulated amortization of $616 at September 30, 1999 and $570 at June 30, 1999		925	782
Goodwill, net of amortization of $1,674 at September 30, 1999 and $1,459 at June 30, 1999.		6,559	6,555
Other assets		2,902	2,459
Total assets	$	96,789	89,889
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable.	$	5,758	4,772
Accrued expenses.		7,633	7,779
Income taxes payable.		6,926	5,691
Total current liabilities.		20,317	18,242
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, 150,000 shares authorized; none issued.		-	-
Common Stock $0.004 par value 50,000,000 shares authorized; issued and outstanding 14,876,000 at September 30, 1999			

and 14,808,000 at June 30, 1999	60	59
Additional paid-in capital	34,340	33,736
Retained earnings	48,116	43,281
Accumulated other comprehensive loss	(6,044)	(5,429)
Total stockholders' equity	76,472	71,647
Commitments and contingencies (Note 5)	-	-
	$ 96,789	89,889

<FN>

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

RESMED INC. AND SUBSIDIARIES

<TABLE>

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

<CAPTION>

	Three Months Ended September 30, 1999	1998
<S>	<C>	<C>
Net revenue	$ 25,945	19,244
Cost of sales	8,224	6,084
Gross profit	17,721	13,160
Operating expenses		
Selling, general and administrative	8,409	6,355
Research and development	1,890	1,433
Total operating expenses	10,299	7,788
Income from operations	7,422	5,372
Other income (expense), net:		
Interest income, net	134	207
Government grants	140	130
Other, net	(269)	(878)
Total other income (expense), net	5	(541)
Income before income taxes	7,427	4,831
Income taxes	2,592	1,647
Net income	$ 4,835	3,184
Basic earnings per share	$ 0.33	$ 0.22
Diluted earnings per share	$ 0.31	$ 0.21

<FN>

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

RESMED INC. AND SUBSIDIARIES

<TABLE>

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

<CAPTION>

	Three Months Ended September 30, 1999	1998
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	$ 4,835	3,184
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization.	1,369	1,007
Provision for service warranties	29	(5)
Foreign currency options revaluations.	377	506
Changes in operating assets and liabilities:		
Accounts receivable, net	(1,951)	1,712
Government grants receivable	(39)	(130)
Inventories.	(3,215)	(1,618)
Prepaid expenses and other current assets.	878	1,208
Accounts payable, accrued expenses and other liabilities	1,514	(1,480)
Net cash provided by operating activities.	3,797	4,384
Cash flows from investing activities:		
Purchases of property, plant and equipment	(2,473)	(3,996)
Patent costs	(218)	(50)
Purchase of non-trading investments.	(857)	(205)
Deferred payments- business acquisitions	-	(1,033)
Purchases of marketable securities - available for sale.	(4,138)	(989)
Proceeds from sale of marketable securities - available for sale	3,053	2,307
Net cash used in investing activities.	(4,633)	(3,966)
Cash flows provided by financing activities:		
Proceeds from issuance of common stock	605	911
Net cash from financing activities	605	911
Effect of exchange rate changes on cash.	(42)	(379)
Net increase/(decrease) in cash and cash equivalents	(273)	950
Cash and cash equivalents at beginning of period	11,108	15,526
Cash and cash equivalents at end of period	$ 10,835	16,476
Supplemental disclosure of cash flow information:		
Income taxes paid.	1,271	934
Interest paid.	-	-

<FN>

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

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 ResMed Group. The Company designs, manufactures and markets devices for the evaluation and treatment of sleep disordered breathing, primarily obstructive sleep apnea. The Company's principal manufacturing operations are located in Australia. Other principal distribution and sales sites are located in the United States, the United Kingdom, Singapore and Europe.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with 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, 1999 are not necessarily indicative of the results that may be expected for the year ended June 30, 2000.

(2) Summary of Significant Accounting Policies

(a) Basis of Consolidation:

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

(b) Revenue Recognition:

Revenue on product sales is recorded at the time of shipment. Royalty revenue from license agreements is recorded when earned. Service revenue received in advance from service contracts is initially deferred and recognized as revenue over the life of the service contract. Revenue from sale of marketing and distribution rights is initially deferred and progressively recognized as revenue over the period of expected benefits but not exceeding three years.

(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.

(d) Inventories:

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

(2) Summary of Significant Accounting Policies, Continued

(e) Property, Plant and Equipment:

Property, plant and equipment is recorded at cost. Depreciation expense is computed using the straight-line method over the estimated useful lives of the assets, generally two to 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) Goodwill

Goodwill arising from business acquisitions is amortized on a straight-line basis over periods ranging from three to 15 years. The Company carries goodwill at cost net of amortization. The Company reviews its goodwill carrying value when events indicate that an impairment may have occurred in goodwill. If, based on the undiscounted cash flows, management determines goodwill is not recoverable, goodwill is written down to its discounted cash flow value and the amortization period is re-assessed.

(h) Government Grants:

Government grants revenue is recognized when earned. Grants have been obtained by the Company from the Australian Federal Government to support continued development and export of the Company's proprietary positive airway pressure technology and to assist development of export markets. Grants of $140,000 and $130,000 have been recognized for the three month periods ended September 30, 1999 and September 30, 1998, respectively.

(i) 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 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 4, 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.

(2) Summary of Significant Accounting Policies, Continued

(j) Research and Development:

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

(k) Earnings Per Share:

The weighted average shares used to calculate basic earnings per share was 14,845,000 and 14,614,000 for the three month periods ended September 30, 1999 and 1998, 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 807,000 and 639,000 for the quarters and three month periods ended September 30, 1999 and 1998, respectively.

(l) Financial Instruments:

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

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

(m) Foreign Exchange Risk Management:

The Company enters into 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 and Deutschmarks. The term of such foreign exchange contracts generally do not exceed three years.

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 in the Company's consolidated statements of income. Unrealized gains and losses on currency derivatives are determined based on dealer quoted prices.

(2) Summary of Significant Accounting Policies, Continued

(m) Foreign Exchange Risk Management, Continued

Foreign currency option contracts have been purchased in part by the issue of put options to counterparties. 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 counterparties at contracted foreign exchange rates. At September 30, 1999 no put options issued by the Company were outstanding.

The Company is exposed to credit-related losses in the event of non-performance by counterparties to financial instruments, but it does not expect any counterparties to fail to meet their obligations given their high credit ratings. The credit exposure of foreign exchange options is represented by the positive fair value of options at the reporting date.

The Company held foreign currency option contracts with notional amounts totaling $124,301,000 and $62,460,000 at September 30, 1999 and June 30, 1999, respectively to hedge foreign currency items. These contracts mature at various dates prior to December 2001.

(n) Income Taxes:

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

(o) Marketable Securities:

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

At September 30, 1999 and June 30, 1999, 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.

(2) Summary of Significant Accounting Policies, Continued

(p) Warranty:

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

(q) Impairment of Long-Lived Assets:

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

(3) Inventories

<TABLE>

Inventories were comprised of the following at September 30, 1999 and June 30, 1999 (in thousands):
<CAPTION>

<S>	September 30, 1999 <C>	June 30, 1999 <C>
Raw materials. .	$ 6,003	4,153
Work in progress	1,021	74
Finished goods .	6,964	6,498
	$ 13,988	10,725

</TABLE>

(4) Comprehensive Income

As of July 1, 1998, the Company adopted Statement of Financial Accounting Standards No 130, "Reporting Comprehensive Income", which established standards for the reporting and display of comprehensive income and its components in the financial statements. The only component of comprehensive income that impacts the Company is foreign currency translation adjustments. The net loss associated with the foreign currency translation adjustments for the three months ended September 30, 1999 and 1998 was $615,000 and $535,000, respectively. 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, 1999 and June 30, 1999 consisted solely of foreign currency translation adjustments with debit balances of $6.0 million and $5.4 million, respectively.

(5) Commitments and contingencies

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

In May 1995, Respironics and its Australian distributor filed a Statement of Claim against the Company and Dr. Farrell in the Federal Court of Australia, alleging that the Company engaged in unfair trade practices. The Statement of Claim asserts damage claims for lost profits on sales in the aggregate amount of approximately $1,000,000. While the Company is defending this action, there can be no assurance that the Company will be successful or that the Company will not be required to make significant payments to the claimants. Furthermore, the Company is incurring ongoing legal costs in defending this action, as well as in the continuing litigation of its patent cases.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS
THREE MONTHS ENDED SEPTEMBER 30, 1999 AND SEPTEMBER 30, 1998

Net Revenues

Net revenues increased for the three months ended September 30, 1999 to $25.9 million from $19.2 million for the three months ended September 30, 1998, an increase of $6.7 million or 35%. The increase in net revenues is primarily attributable to an increase in unit sales of the Company's flow generators and accessories in both domestic and international markets. Net revenues in North and Latin America increased to $14.8 million from $11.9 million for the quarter and in Europe increased to $8.3 million from $5.8 million for the quarter.

Gross Profit

Gross profit increased for the three months ended September 30, 1999 to $17.7 million from $13.2 million for the three months ended September 30, 1998, an increase of $4.5 million or 35%. Gross profit as a percentage of net revenues for the quarter ended September 30, 1999 was 68% consistent with the September 30, 1998 quarter.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased for the three months ended September 30, 1999 to $8.4 million from $6.4 million for the three months ended September 30, 1998, an increase of $2.0 million or 32%. As a percentage of net revenues, selling, general and administrative expenses for the three months ended September 30, 1999 declined to 32.4% from 33.0% for the quarter ended September 30, 1998. The increase in gross selling, general and administrative expenses was due primarily to an increase from 169 to 227 in the number of sales and administrative personnel and other expenses related to the increase in Company sales.

Research and Development Expenses

Research and development expenses increased for the three months ended September 30, 1999 to $1.9 million from $1.4 million for the three months ended September 30, 1998, an increase of approximately $460,000 or 32%. As a percentage of net revenues, research and development expenses for the three months ended September 30, 1999 declined marginally to 7.3% from 7.4% for the period ended September 30, 1998. The increase in gross research and development expenses was due to an increase in charges for consulting fees, clinical trials and technical assessments incurred to facilitate development of a number of new products.

Other Income (Expenses), Net

Other income (expenses), net increased for the three months ended September 30, 1999 to net income of $5,000, from net expense of $541,000 for the three months ended September 30, 1998. The increase in other income (expense), net over the three month period primarily reflects lower foreign currency losses, partially offset by reduced interest income as a result of lower cash balances and one time charges incurred in relation to the Company's successful listing on the NYSE.

Income Taxes

The Company's effective income tax rate for the three months ended September 30, 1999 increased to approximately 34.9% from approximately 34.1% for the three months ended September 30, 1998. The higher tax rate was primarily due to increased profitability in Germany and France in which the Company incurs higher relative tax rates.

Liquidity and Capital Resources

The Company had cash and cash equivalents and marketable securities available for sale of approximately $17.5 million and $16.7 million, at September 30, 1999 and June 30, 1999, respectively. The Company's working capital approximated $35.9 million and $32.5 million, at September 30, 1999 and June 30, 1999, respectively. The increase in working capital primarily reflects management's decision to increase inventory holdings, particularly in the US and Europe, to support sales growth.

During the three months ended September 30, 1999, the Company's operations generated $3.8 million cash from operations, primarily as a result of increased profit from operations offset partially by increases in inventories and accounts receivable. During the three months ended September 30, 1998 approximately $4.4 million of cash was provided by operations.

The Company's capital expenditures for the three month periods ended September 30, 1999 and 1998 aggregated $2.5 million and $4.0 million, respectively. The majority of the expenditures in the three month period ended September 30, 1999 related 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 September 30, 1999 balance sheet reflects net property, plant and equipment of approximately $30.2 million at September 30, 1999, compared to $29.3 million at June 30, 1999.

The Company anticipates expending approximately $1.5 million in relation to the roll out of the Oracle Application Enterprise package system and eCommerce initiatives over the next six months. These payments are to be funded through cash flows from operations.

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.

Year 2000

The Company conducted a number of reviews of its information systems during fiscal 1998 and fiscal 1999, to identify all system upgrades required to facilitate the growth in business activity. As a consequence of these review procedures, internal application systems have been substantially upgraded in recent years along with a strategic program to replace existing accounting systems with the Oracle Applications Enterprise package. The decision to replace the Company's existing information systems was driven by operational requirements although, as a consequence of the Oracle implementation and upgrade of other systems, the Company believes all of its information systems are Year 2000 compliant.

While management expects the costs associated with Year 2000 compliance to be approximately $100,000, the global cost of implementing the Oracle Application Enterprise package once completed is estimated to be approximately $3,000,000.

The Company has completed a review of its product lines for Year 2000 compliance and, as a result of this review, believes there is no significant Year 2000 exposure with regards to the Company's products.

In addition to risks associated with the Company's internal computer system, the Company is potentially vulnerable to the failure of third parties to adequately address their Year 2000 issues. ResMed continues to assess the readiness of key third parties by monitoring such parties' readiness statements. Significant third parties with which the Company interfaces include, among others, customers and business partners, technology suppliers and service providers and the utility infrastructure (power, transport, telecommunications) on which all entities rely. The most likely worst case scenario is that a lack of readiness by these third parties would expose the Company to the potential for loss, impairment of business process and activities and general disruption of its markets. ResMed is in the process of obtaining assurances from its major suppliers that they are addressing this issue and that products purchased by ResMed will function properly in the Year 2000. However, there is no assurance that the systems of third parties on which the Company relies will be Year 2000 ready, or that any system failure by such parties would not have a material adverse effect on the Company.

Beyond the above review procedures, the Company is in the process of, and has developed, a number of Year 2000 contingency plans should a Year 2000 compliance issue arise. However, there can be no assurance that customers, suppliers and service providers on which the Company relies will resolve their Year 2000 issues accurately, thoroughly and on schedule. Failure to complete the Year 2000 project by December 31, 1999 could have a material adverse effect on future operating results or financial condition.

Recent Accounting Developments

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities"

(SFAS 133), was issued by the Financial Accounting Standards Board in June 1998 and is effective for the Company's quarter ending September 30, 2000. SFAS 133 standardizes the accounting for derivative instruments, including certain derivative instruments embedded in other contracts. Under the standard, entities are required to carry all derivative instruments in the balance sheet at fair value. The accounting for changes in the fair value (ie, gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and, if so, on the reason for holding it. If certain conditions are met, entities may elect to designate a derivative instrument as a hedge of exposures to changes in fair values, cash flows, or foreign currencies. If the hedged exposure is a fair value exposure, the gain or loss on the derivative instrument is recognized in earnings in the period of change together with the offsetting loss or gain on the hedged item attributable to the risk being hedged. If the hedged exposure is a cash flow exposure, the effective portion of the gain or loss on the derivative instrument is reported initially as a component of other comprehensive income (outside earnings) and subsequently reclassified into earnings when the forecasted transaction affects earnings. Any amounts excluded from the assessment of hedge effectiveness as well as the ineffective portion of the gain or loss is reported in earnings immediately. Accounting for foreign currency hedges is similar to the accounting for fair value and cash flow hedges. If the derivative instrument is not designated as a hedge, the gain or loss is recognized in earnings in the period of change.

The Company has not determined the impact that Statement 133 will have on its financial statements and believes that such determination will not be meaningful until closer to the date of initial adoption.

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 foreign currency forward exchange contracts and purchased currency options to hedge foreign-currency-denominated financial assets, liabilities and manufacturing expenditure. Under this program, increases or decreases in the Company's foreign-currency-denominated financial assets, liabilities, and firm commitments are partially offset by gains and losses on the hedging instruments.

The table below provides information about the Company's foreign currency derivative financial instruments, by functional currency and presents such information in US dollar equivalents. The table summarizes information on instruments and transactions that are sensitive to foreign currency exchange rates, specifically foreign currency call options held at September 30, 1999. The table presents the notional amounts and weighted average exchange rates of foreign currency call options by expected (contractual) maturity dates. These notional amounts generally are used to calculate payments to be exchanged under the options.
<TABLE>

<CAPTION>

(In US$thousands)	Fiscal Year			
	2000	2001	2002	Total
<S>	<C>	<C>	<C>	<C>
Foreign Exchange Call Options				
(Receive AUS$/Pay US$)				
Option amount.	$ 45,750	$ 48,000	$ 24,000	$ 117,750
Average contractual exchange rate.	AUS $1 = USD 0.680	AUS $1 = USD 0.688	AUS $1 = USD 0.690	AUS $1 = USD 0.686
(Receive AUS$/Pay DM)				
Option amount.	$ 1,965	$ 2,948	$ 1,638	$ 6,551
Average contractual exchange rate.	AUS $1 = DM 1.106	AUS $1 = DM 1.182	AUS $1 = DM 1.250	AUS $1 = DM 1.174

(In US$thousands)

Fair Value

	Assets/(Liabilities)
<S>	<C>
Foreign Exchange Call Options	
(Receive AUS$/Pay US$)	
Option amount.	$ 1,524
Average contractual exchange rate	
(Receive AUS$/Pay DM)	
Option amount.	$ 304
Average contractual exchange rate	

</TABLE>

PART II OTHER INFORMATION

Item 1. Legal Proceedings

Refer Note 5 to the Condensed Consolidated Financial Statements

Item 2. Changes in Securities

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

None

Item 6. Exhibits and Report on Form 8K

Exhibits.

The following exhibits are filed as a part of this report:

27.1 Financial Data Schedule

Report on Form 8-K

None

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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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM RESMED INC'S
FIRST  QUARTER  SEPTEMBER  30,  1999  FINANCIAL  REPORT  AND IS QUALIFIED IN ITS
ENTIRETY  BY  REFERENCE  TO  SUCH  FINANCIAL  STATEMENTS.
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