UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2013

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from__________ to __________

Commission File Number: 001-15317

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

Delaware
(State or other jurisdiction of incorporation or organization)

98-0152841
(I.R.S. Employer Identification No.)

9001 Spectrum Center Blvd.
San Diego, CA 92123
United States of America
(Address of principal executive offices)

(858) 836-5000
(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 ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At October 24, 2013, there were 142,081,434 shares of Common Stock ($0.004 par value) outstanding. This number excludes 32,457,708 shares held by the registrant as treasury shares.

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RESMED INC. AND SUBSIDIARIES

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Item 1. Financial Statements

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

	September 30, 2013	June 30, 2013
Assets		
Current assets:		
Cash and cash equivalents	$ 976,574	$ 876,048
Accounts receivable, net of allowance for doubtful accounts of $12,311 and $9,912 at September 30, 2013 and June 30, 2013, respectively	282,425	318,349
Inventories (note 4)	175,355	145,847
Deferred income taxes	43,324	38,552
Income taxes receivable	2,988	8,910
Prepaid expenses and other current assets	77,268	61,143
Total current assets	1,557,934	1,448,849
Non-current assets:		
Property, plant and equipment, net (note 5)	416,745	411,433
Goodwill and other intangible assets, net (note 7)	332,118	324,468
Deferred income taxes	22,618	20,053
Other assets	5,220	5,918
Total non-current assets	776,701	761,872
Total assets	$ 2,334,635	$ 2,210,721
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	57,125	60,688
Accrued expenses	135,847	137,674
Deferred revenue	43,908	44,953
Income taxes payable	13,453	30,090
Deferred income taxes	731	627
Current portion of long-term debt (note 8)	360,018	300,017
Total current liabilities	611,082	574,049
Non-current liabilities:		
Deferred income taxes	14,539	9,895
Deferred revenue	12,125	11,928
Long-term debt (note 8)	790	769
Income taxes payable	3,564	3,564
Total non-current liabilities	31,018	26,156
Total liabilities	642,100	600,205
Commitments and contingencies (note 13)		
Stockholders' equity: (note 11)		
Preferred stock, $0.01 par value, 2,000,000 shares authorized; none issued	—	—
Common stock, $0.004 par value, 350,000,000 shares authorized; 174,428,613 issued and 141,970,905 outstanding at September 30, 2013 and 174,038,766 issued and 142,012,753 outstanding at June 30, 2013	568	568
Additional paid-in capital	1,044,489	1,025,064
Retained earnings	1,622,093	1,576,641
Treasury stock, at cost, 32,457,708 shares at September 30, 2013, and 32,026,013 shares at June 30, 2013	(1,104,906)	(1,083,845)
Accumulated other comprehensive income	130,291	92,088
Total stockholders' equity	1,692,535	1,610,516
Total liabilities and stockholders' equity	$ 2,334,635	$ 2,210,721

See the accompanying notes to the unaudited condensed consolidated financial statements.

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

	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012
Net revenue	$ 357,662	$ 339,731
Cost of sales	129,680	131,083
Gross profit	227,982	208,648
Operating expenses:		
Selling, general and administrative	101,323	98,303
Research and development	27,363	27,220
Amortization of acquired intangible assets	2,412	2,636
Total operating expenses	131,098	128,159
Income from operations	96,884	80,489
Other income, net:		
Interest income, net	6,414	8,471
Other, net	(1,228)	1,941
Total other income, net	5,186	10,412
Income before income taxes	102,070	90,901
Income taxes	21,140	19,636
Net income	$ 80,930	$ 71,265
Basic earnings per share	$ 0.57	$ 0.50
Diluted earnings per share (note 3)	$ 0.56	$ 0.49
Dividend declared per share	$ 0.25	$ 0.17
Basic shares outstanding (000's)	142,005	142,651
Diluted shares outstanding (000's)	145,456	146,055

See the accompanying notes to the unaudited condensed consolidated financial statements.

RESMED INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Comprehensive Income (Unaudited)
(In US$ thousands)

	Three Months Ended September 30,	
	2013	2012
Net income	$ 80,930	$ 71,265
Other comprehensive income:		
Foreign currency translation gain adjustments	38,203	18,857
Comprehensive income	$ 119,133	$ 90,122

See the accompanying notes to the unaudited condensed consolidated financial statements.

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

	Three Months Ended September 30, 2013	2012
Cash flows from operating activities:		
Net income	$ 80,930	$ 71,265
Adjustment to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	17,870	18,650
Stock-based compensation costs	10,816	7,921
Foreign currency revaluation	(1,653)	(1,741)
Excess tax benefit from stock-based compensation arrangements	(2,241)	(3,760)
Changes in operating assets and liabilities, net of effect of acquisitions:		
Accounts receivable, net	40,268	18,397
Inventories, net	(26,847)	(16,698)
Prepaid expenses, net deferred income taxes and other current assets	(4,451)	(2,487)
Accounts payable, accrued expenses and other liabilities	(24,267)	(13,293)
Net cash provided by operating activities	90,425	78,254
Cash flows from investing activities:		
Purchases of property, plant and equipment	(16,752)	(13,831)
Patent registration costs	(1,679)	(1,035)
Business acquisitions, net of cash acquired	—	(5,418)
Investments in cost-method investments	(675)	—
Purchases of foreign currency options	—	(402)
(Payments)/Proceeds from exercise of foreign currency options	(2,486)	5,703
Net cash used in investing activities	(21,592)	(14,983)
Cash flows from financing activities:		
Proceeds from issuance of common stock, net	6,470	21,667
Excess tax benefit from stock-based compensation arrangements	2,241	3,760
Purchases of treasury stock	(22,822)	(8,095)
Payment of business combination contingent consideration	(442)	(1,641)
Proceeds from borrowings	60,000	15,000
Repayment of borrowings	(9)	(158)
Dividend paid	(35,478)	(22,843)
Net cash provided by financing activities	9,960	7,690
Effect of exchange rate changes on cash	21,733	10,127
Net increase in cash and cash equivalents	100,526	81,088
Cash and cash equivalents at beginning of period	876,048	809,541
Cash and cash equivalents at end of period	$ 976,574	$ 890,629
Supplemental disclosure of cash flow information:		
Income taxes paid	$ 39,612	$ 24,565
Interest paid	$ 1,599	$ 1,363
Fair value of assets acquired, excluding cash	$ —	$ 7,770
Liabilities assumed	—	(2,836)
Goodwill on acquisition	—	13,584
Fair value of contingent consideration	—	(13,100)
Total purchase price, excluding contingent consideration	—	5,418

See the accompanying notes to the unaudited condensed consolidated financial statements.

RESMED INC. AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

(1) Organization and Basis of Presentation

ResMed Inc. (referred to herein as “we”, “us”, “our” or the “Company”) is a Delaware corporation formed in March 1994 as a holding company for the ResMed Group. Through our subsidiaries, we design, manufacture and market equipment for the diagnosis and treatment of sleep-disordered breathing and other respiratory disorders, including obstructive sleep apnea. Our manufacturing operations are located in Australia, Singapore, France, Germany, Malaysia and the United States. Major distribution and sales sites are located in the United States, Germany, France, the United Kingdom, Switzerland, Australia, Japan, Norway and Sweden.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X of the U.S. Securities and Exchange Commission (“SEC”). Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all necessary adjustments, which consisted only of normal recurring items, have been included in the accompanying financial statements to present fairly the results of the interim periods. The results of operations for the interim periods presented are not necessarily indicative of the results that may be expected for the year ending June 30, 2014.

The condensed consolidated financial statements for the three months ended September 30, 2013 and 2012 are unaudited and should be read in conjunction with the consolidated financial statements and notes thereto included in our Form 10-K for the year ended June 30, 2013.

(2) Recently Issued Accounting Pronouncements

In June 2011, the FASB issued authoritative guidance with respect to the presentation of other comprehensive income in financial statements. The main provisions of the standard provide that an entity that reports other comprehensive income has the option to present comprehensive income in either a single statement or in a two-statement approach. A single statement must present the components of net income and total net income, the components of other comprehensive income and total other comprehensive income, and a total for comprehensive income. In the two-statement approach, an entity must present the components of net income and total net income in the first statement, followed by a financial statement that presents the components of other comprehensive income, a total for other comprehensive income, and a total for comprehensive income. The adoption of this standard in fiscal year 2013 affected the presentation of our other comprehensive income but not our financial position or results of operations.

RESMED INC. AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

(3) Earnings Per Share

Basic earnings per share is computed by dividing the net income available to common stockholders by the weighted average number of shares of common stock outstanding. For purposes of calculating diluted earnings per share, the denominator includes both the weighted average number of shares of common stock outstanding and the number of dilutive common stock equivalents such as stock options and restricted stock units.

Stock options of 209,856 and 591,435 for the three months ended September 30, 2013 and 2012, respectively, were not included in the computation of diluted earnings per share as the effect of exercising these options would have been anti-dilutive.

Basic and diluted earnings per share for the three months ended September 30, 2013 and 2012 are calculated as follows (in thousands except per share data):

	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012
Numerator:		
Net Income, used in calculating diluted earnings per share	$ 80,930	$ 71,265
Denominator:		
Basic weighted-average common shares outstanding	142,005	142,651
Effect of dilutive securities:		
Stock options and restricted stock units	3,451	3,404
Diluted weighted average shares	145,456	146,055
Basic earnings per share	$ 0.57	$ 0.50
Diluted earnings per share	$ 0.56	$ 0.49

(4) Inventories

Inventories were comprised of the following at September 30, 2013 and June 30, 2013 (in thousands):

	September 30, 2013	June 30, 2013
Raw materials	$ 52,606	$ 46,841
Work in progress	1,832	1,990
Finished goods	120,917	97,016
Total inventories	$ 175,355	$ 145,847

RESMED INC. AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

(5) Property, Plant and Equipment

Property, plant and equipment were comprised of the following as of September 30, 2013 and June 30, 2013 (in thousands):

	September 30, 2013	June 30, 2013
Machinery and equipment	$ 174,716	$ 165,782
Computer equipment	116,542	109,657
Furniture and fixtures	41,295	40,706
Vehicles	3,627	3,282
Clinical, demonstration and rental equipment	97,723	102,304
Leasehold improvements	29,537	28,466
Land	62,001	61,091
Buildings	263,273	260,857
	788,714	772,145
Accumulated depreciation and amortization	(371,969)	(360,712)
Property, plant and equipment, net	$ 416,745	$ 411,433

(6) Cost-Method Investments

The aggregate carrying amount of our cost-method investments at September 30, 2013 and June 30, 2013, was $4.7 million and $4.0 million, respectively, and is included in the non-current balance of other assets on the condensed consolidated balance sheets.

We periodically evaluate the carrying value of our cost-method investments, when events and circumstances indicate that the carrying amount of an asset may not be recovered. We estimate the fair value of our cost-method investments to assess whether impairment losses shall be recorded using Level 3 inputs. These investments include our holdings in privately held service and research companies that are not exchange traded and therefore not supported with observable market prices. However, these investments are valued by reference to their net asset values which can be market supported and unobservable inputs including future cash flows. During the three months ended September 30, 2013 and 2012, we recognized $Nil and $Nil, respectively, of impairment losses related to our cost-method investments. We have determined that the fair value of our investments exceed their carrying values.

The following table shows a reconciliation of the changes in our cost-method investments during the three months ended September 30, 2013 and 2012 (in thousands):

	Three Months Ended September 30, 2013	2012
Balance at the beginning of the period	$ 4,000	$ 2,250
Investments	675	—
Balance at the end of the period	$ 4,675	$ 2,250

RESMED INC. AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

(7) Goodwill and Other Intangible Assets, net

Goodwill

Changes in the carrying amount of goodwill for the three months ended September 30, 2013, and 2012 were as follows (in thousands):

	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012
Balance at the beginning of the period	$ 274,829	$ 256,209
Business acquisition	—	13,584
Foreign currency translation adjustments	8,616	3,487
Balance at the end of the period	$ 283,445	$ 273,280

Other Intangible Assets

Other intangible assets are comprised of the following as of September 30, 2013, and June 30, 2013 (in thousands):

	September 30, 2013	June 30, 2013
Developed/core product technology	$ 75,139	$ 72,698
Accumulated amortization	(48,729)	(45,492)
Developed/core product technology, net	26,410	27,206
Trade names	2,742	2,662
Accumulated amortization	(2,610)	(2,491)
Trade names, net	132	171
Non-compete agreements	2,115	2,068
Accumulated amortization	(1,408)	(1,265)
Non compete agreements, net	707	803
Customer relationships	22,992	22,291
Accumulated amortization	(18,387)	(17,095)
Customer relationships, net	4,605	5,196
Patents	63,108	59,962
Accumulated amortization	(46,289)	(43,699)
Patents, net	16,819	16,263
Total other intangibles, net	$ 48,673	$ 49,639

Intangible assets consist of patents, customer relationships, trade names, non-compete agreements and developed/core product technology. We amortize intangible assets over the estimated useful life of the assets, generally between two and nine years. There are no expected residual values related to these intangible assets.

RESMED INC. AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

(8) Long-Term Debt

Long-term debt at September 30, 2013 and June 30, 2013 consists of the following (in thousands):

	September 30, 2013	June 30, 2013
Current long-term debt	$ 360,018	$ 300,017
Non-current long-term debt	790	769
Total long-term debt	$ 360,808	$ 300,786

Credit Facility

During the year ended June 30, 2011, we entered into a credit agreement with lenders, including Union Bank, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, HSBC Bank USA, National Association, as Syndication Agent and Union Bank, N.A., HSBC Bank USA, National Association, Commonwealth Bank of Australia and Wells Fargo Bank, N.A. The credit agreement provides a $300 million three-year revolving credit facility, with an uncommitted option to increase the credit facility by an additional $100 million. The credit facility also includes a $10 million sublimit for letters of credit. The credit facility terminates on February 10, 2014, at which time all unpaid principal and interest under the loans must be repaid. The outstanding principal amount due under the credit facility will bear interest at a rate equal to, at our option, either (i) LIBOR plus 1.5% to 2.0% (depending on the applicable leverage ratio) or (ii) a base rate, as defined in the credit agreement, plus 0.5% to 1.0% (depending on the applicable leverage ratio). At September 30, 2013, the interest rate that was being charged on the outstanding principal amount was 1.7%. Commitment fees of 0.25% to 0.375% (depending on the applicable leverage ratio) apply on the unused portion of the credit facility. When we executed the credit agreement, we used a portion of the credit facility's initial funding proceeds to repay the outstanding balance under our previously existing revolving credit facility with Union Bank, N.A., which was then terminated.

Our obligations under the credit agreement are secured by (a) the corporate stock we hold in our subsidiaries ResMed Corp. and ResMed Motor Technologies Inc. ("ResMed Motor"), and (b) up to 65% of the ownership interests we hold in our subsidiary ResMed EAP Holdings LLC ("ResMed EAP"). Our obligations under the credit agreement are also guaranteed by our subsidiaries ResMed Corp. and ResMed Motor. The credit agreement contains customary covenants, including certain financial covenants and an obligation that we maintain certain financial ratios, including a maximum ratio of Funded Debt to EBITDA (each as defined in the credit agreement), an interest coverage ratio and a maximum amount of annual capital expenditures. The entire principal amount of the credit facility and any accrued but unpaid interest may be declared immediately due and payable if an event of default occurs. Events of default include failure to make payments when due, a default in the performance of any covenants in the credit agreement or related documents or certain changes of control of us or our subsidiaries ResMed Corp, ResMed Motor, ResMed Limited, ResMed Holdings Ltd/LLC or ResMed EAP.

On January 25, 2012, we entered into a first amendment to the credit agreement. The amendment increases, from $300 million to $400 million, the maximum principal amount that can be borrowed on a revolving basis under the credit agreement, subject to customary conditions.

At September 30, 2013, there was $360.0 million outstanding under the credit agreement.

RESMED INC. AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

(9) Product Warranties

Changes in the liability for warranty costs, which is included in accrued expenses in our condensed consolidated balance sheets, for the three months ended September 30, 2013 and 2012 are as follows (in thousands):

	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012
Balance at the beginning of the period	$ 16,011	$ 17,018
Warranty accruals for the period	2,796	3,251
Warranty costs incurred for the period	(2,270)	(2,478)
Foreign currency translation adjustments	368	23
Balance at the end of the period	$ 16,905	$ 17,814

(10) Stock-Based Employee Compensation

We measure the compensation expense of all stock-based awards at fair value on the grant date. We estimate the fair value of stock options and purchase rights granted under the employee stock purchase plan (the “ESPP”) using the Black-Scholes valuation model. The fair value of restricted stock units is equal to the market value of the underlying shares as determined at the grant date less the fair value of dividends that holders are not entitled to, during the vesting period. We recognize the fair value as compensation expense using the straight-line method over the service period for awards expected to vest.

We estimate the fair value of stock options granted under our stock option plans and purchase rights granted under the ESPP using the following assumptions:

	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012
Stock options:		
Weighted average grant date fair value	$ —	$ 8.01
Weighted average risk-free interest rate	—	0.7%
Expected option life in years	—	5.29
Dividend yield	—	2%
Expected volatility	—	34%
ESPP purchase rights:		
Weighted average risk-free interest rate	0.08%	0.15%
Expected option life in years	6 months	6 months
Dividend yield	1.44%	0%
Expected volatility	24%	30%

RESMED INC. AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

(11) Stockholders' Equity

Common Stock. On August 24, 2011, our board of directors approved a new share repurchase program, authorizing us to acquire up to an aggregate of 20.0 million shares of ResMed Inc. common stock. The program allows us to repurchase shares of our common stock from time to time for cash in the open market, or in negotiated or block transactions, as market and business conditions warrant. This program canceled and replaced our previous share repurchase program authorized on May 27, 2009 pursuant to which we had repurchased 10.0 million shares. These were in addition to the 6.6 million shares repurchased under an earlier program authorized on June 6, 2002. The new program authorizes us to purchase in addition to the shares we repurchased under our previous programs. There is no expiration date for this program. All share repurchases since August 24, 2011 have been executed in accordance with this program.

During the three months ended September 30, 2013, we repurchased 0.4 million shares at a cost of $21.1 million. Since the inception of our share repurchase programs and through September 30, 2013, we have repurchased a total of 32.5 million shares at a cost of $1.1 billion. Shares that are repurchased are classified as treasury stock pending future use and reduce the number of shares outstanding used in calculating earnings per share. At September 30, 2013, 4.1 million additional shares can be repurchased under the approved share repurchase program.

Preferred Stock. In April 1997, the board of directors designated 2,000,000 shares of our $0.01 par value preferred stock as Series A Junior Participating Preferred Stock. No such shares were issued or outstanding at September 30, 2013 and June 30, 2013.

Stock Options and Restricted Stock Units. We have granted stock options and restricted stock units to personnel, including officers and directors, in accordance with ResMed Inc. 2009 Incentive Award Plan (the "2009 Plan"). These options and restricted stock units have expiration dates of seven years from the date of grant and vest over one to four years. We have granted the options with an exercise price equal to the market value as determined at the date of grant.

The maximum number of shares of our common stock authorized for issuance under the 2009 Plan is 35.5 million shares. The number of securities remaining available for future issuance under the 2009 Plan at September 30, 2013 is 10.2 million. The number of shares of our common stock available for issuance under the 2009 Plan will be reduced by (i) three (3.0) shares for each one share of common stock delivered in settlement of any "full-value award," which is any award other than a stock option, stock appreciation right or other award for which the holder pays the intrinsic value and (ii) one share for each share of common stock delivered in settlement of all other awards. The maximum number of shares, which may be subject to awards granted under the 2009 Plan to any individual during any calendar year, may not exceed 3 million shares of our common stock (except in a participant's initial year of hiring up to 4.5 million shares of our common stock may be granted).

At September 30, 2013, there was $66.4 million in unrecognized compensation costs related to unvested stock-based compensation arrangements. This is expected to be recognized over a weighted average period of 2.3 years. The aggregate intrinsic value of the stock-based compensation arrangements outstanding and exercisable at September 30, 2013 was $314.1 million and $146.2 million, respectively. The aggregate intrinsic value of the options exercised during the three months ended September 30, 2013 and 2012, was $11.5 million and $21.7 million, respectively.

RESMED INC. AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

(11) Stockholders' Equity, Continued

The following table summarizes option activity during the three months ended September 30, 2013:

		Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years
Outstanding at beginning of period	6,316,136	$ 22.68	3.1
Granted	—	—	
Exercised	(372,828)	18.70	
Forfeited	(10,250)	30.78	
Outstanding at end of period	5,933,058	$ 22.92	2.9
Exercise price range of granted options	—		
Options exercisable at end of period	4,378,304	$ 19.43	

The following table summarizes the activity of restricted stock units during the three months ended September 30, 2013:

		Weighted Average Grant-Date Fair Value	Weighted Average Remaining Contractual Term in Years
Outstanding at beginning of period	2,633,407	$ 33.25	1.4
Granted	1,500	43.31	
Vested	(31,070)	30.69	
Forfeited	(17,050)	30.55	
Outstanding at end of period	2,586,787	$ 33.30	1.2

Employee Stock Purchase Plan (the "ESPP"). Under the ESPP, we offer participants the right to purchase shares of our common stock at a discount during successive offering periods. Each offering period under the ESPP will be for a period of time determined by the board of directors' compensation committee of no less than 3 months and no more than 27 months. The purchase price for our common stock under the ESPP will be the lower of 85% of the fair market value of our common stock on the date of grant or 85% of the fair market value of our common stock on the date of purchase. An individual participant cannot subscribe for more than $25,000 in common stock during any calendar year. At September 30, 2013, the number of shares remaining available for future issuance under the ESPP is 2.1 million shares.

RESMED INC. AND SUBSIDIARIES
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(Unaudited)

(12) Fair Value Measurements

In determining the fair value measurements of our financial assets and liabilities, we consider the principal and most advantageous market in which we transact and consider assumptions that market participants would use when pricing the financial asset or liability. We maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

The hierarchies of inputs are as follows:

- Level 1: Input prices quoted in an active market for identical financial assets or liabilities;
- Level 2: Inputs other than prices quoted in Level 1, such as prices quoted for similar financial assets and liabilities in active markets, prices for identical assets and liabilities in markets that are not active or other inputs that are observable or can be corroborated by observable market data; and
- Level 3: Input prices quoted that are significant to the fair value of the financial assets or liabilities which are not observable nor supported by an active market.

The following table summarizes our financial assets and liabilities, as at September 30, 2013 and June 30, 2013, using the valuation input hierarchy (in thousands):

	Level 1	Level 2	Level 3	Total
Balances at September 30, 2013				
Foreign currency hedging instruments, net	$ —	$(7,882)	$ —	$(7,882)
Business acquisition contingent consideration	$ —	$ —	$(7,423)	$(7,423)
Balances at June 30, 2013				
Foreign currency hedging instruments, net	$ —	$(7,000)	$ —	$(7,000)
Business acquisition contingent consideration	$ —	$ —	$(7,779)	$(7,779)

We determine the fair value of our financial assets and liabilities as follows:

Foreign currency hedging instruments – These financial instruments are valued using third-party valuation models based on market observable inputs, including interest rate curves, on-market spot currency prices, volatilities and credit risk.

Contingent consideration – These liabilities include the fair value estimates of additional future payments that may be required for some of our previous business acquisitions based on the achievement of certain performance milestones. Each potential future payment is valued using the estimated probability of achieving each milestone, which is then discounted to present value.

The following is a reconciliation of changes in the fair value of contingent consideration during three months ended September 30, 2013 (in thousands):

	Three Months Ended September 30, 2013
Balance at the beginning of the period	$ (7,779)
Payments	442
Foreign currency translation adjustments	(86)
Balance at the end of the period	$ (7,423)

We did not have any significant non-financial assets or liabilities measured at fair value on September 30, 2013 or June 30, 2013.

RESMED INC. AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

(13) Legal Actions and Contingencies

Litigation

In the normal course of business, we are subject to routine litigation incidental to our business. While the results of this litigation cannot be predicted with certainty, we believe that their final outcome will not, individually or in aggregate, have a material adverse effect on our consolidated financial statements taken as a whole.

In March 2013, we filed parallel legal actions in the International Trade Commission, or ITC, and in U.S. district court against Taiwanese manufacturer APEX and its U.S. distributor to stop the infringement of several ResMed patents. In July 2013, the ITC entered a consent decree against the U.S. distributor, ordering that it not import or sell after import certain products we accused of infringing our patents. In August 2013, the ITC entered a consent decree against APEX, ordering that it not import or sell after import products that infringe the claims of the patents that ResMed asserted against APEX. Thereafter, APEX initiated inter partes review proceedings in the U.S. Patent and Trademark Office, or PTO, challenging the validity of most of the claims asserted against APEX in the ITC. The U.S. district court has stayed the litigation against APEX and the U.S. distributor pending the resolution of the inter partes review by the PTO. APEX has advised the ITC that is has redesigned the accused products and requested that the ITC determine that those products are not subject to the consent decree. Therefore the matter is ongoing as to APEX. However, we do not expect the outcome of this matter to have a material adverse effect on our consolidated financial statements when taken as a whole.

In June 2013, we filed a lawsuit in U.S. district court against Chinese manufacturer BMC Medical Co., Ltd and its U.S. affiliates to stop the infringement of several ResMed patents. In July 2013, we amended the district court lawsuit, and filed a parallel proceeding in the ITC. The ITC initiated an investigation of BMC's alleged infringement in August 2013, and that matter is proceeding in the normal course. The district court lawsuit has been stayed by the court pending the conclusion of the ITC proceeding. The BMC matter is ongoing. However, we do not expect the outcome of this matter to have a material adverse effect on our consolidated financial statements when taken as a whole.

RESMED INC. AND SUBSIDIARIES
Notes to the Condensed Consolidated Financial Statements
(Unaudited)

(14) Derivative Instruments and Hedging Activities

We transact business in various foreign currencies, including a number of major European currencies as well as the Australian and Singapore dollars. We have significant foreign currency exposure through both our Australian and Singaporean manufacturing activities, and international sales operations. We have established a foreign currency hedging program using purchased currency options and forward contracts to hedge foreign-currency-denominated financial assets, liabilities and manufacturing cash flows. The terms of such foreign currency hedging contracts generally do not exceed three years. The goal of this hedging program is to economically manage the financial impact of foreign currency exposures denominated mainly in Euros, Australian and Singapore dollars. Under this program, increases or decreases in our foreign currency denominated financial assets, liabilities, and firm commitments are partially offset by gains and losses on the hedging instruments.

We do not designate these foreign currency contracts as hedges. We have determined our hedge program to be a non-effective hedge as defined under the FASB issued authoritative guidance. All movements in the fair value of the foreign currency instruments are recorded within other income, net in our condensed consolidated statements of income. We do not enter into financial instruments for trading or speculative purposes.

We held foreign currency instruments with notional amounts totaling $391.4 million and $462.1 million at September 30, 2013 and June 30, 2013, respectively, to hedge foreign currency fluctuations. These contracts mature at various dates prior to September 30, 2016.

The following table summarizes the amount and location of our derivative financial instruments as of September 30, 2013 and June 30, 2013 (in thousands):

	September 30, 2013	June 30, 2013	Balance Sheet Caption
Foreign currency hedging instruments	$ 1,175	$ 1,350	Other assets - current
Foreign currency hedging instruments	213	657	Other assets - non current
Foreign currency hedging instruments	(9,270)	(9,007)	Accrued expenses
	$ (7,882)	$ (7,000)	

The following table summarizes the amount and location of gains (losses) associated with our derivative financial instruments for the three months ended September 30, 2013 and September 30, 2012, respectively (in thousands):

	Gain /(Loss) Recognized Three Months Ended September 30,		Income Statement Caption
	2013	2012	
Foreign currency hedging instruments	$ (3,156)	$ 1,083	Other, net
Other foreign-currency-denominated transactions	1,741	656	Other, net
	$ (1,415)	$ 1,739	

We are exposed to credit-related losses in the event of non-performance by counter parties to financial instruments. We minimize counterparty credit risk by entering into derivative transactions with major financial institutions and we do not expect material losses as a result of default by our counterparties.

RESMED INC. AND SUBSIDIARIES

Management's Discussion and Analysis of Financial Condition and Results of Operations

Special Note Regarding Forward-Looking Statements

This report contains or may contain certain forward-looking statements and information that are based on the beliefs of our management as well as estimates and assumptions made by, and information currently available to, our management. All statements other than statements regarding historical facts are forward-looking statements. The words "believe," "expect," "anticipate," "will continue," "will," "estimate," "plan," "future" and other similar expressions, and negative statements of such expressions, generally identify forward-looking statements, including, in particular, statements regarding the development and approval of new products and product applications, market expansion, pending litigation and the development of new markets for our products, such as cardiovascular and stroke markets. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. You are cautioned not to place undue reliance on these forward-looking statements. Such forward-looking statements reflect the views of our management at the time such statements are made and are subject to a number of risks, uncertainties, estimates and assumptions, including, without limitation, and in addition to those identified in the text surrounding such statements, those identified in our annual report on Form 10-K for the fiscal year ended June 30, 2013 and elsewhere in this report.

In addition, important factors to consider in evaluating such forward-looking statements include changes or developments in healthcare reform, social, economic, market, legal or regulatory circumstances, changes in our business or growth strategy or an inability to execute our strategy due to changes in our industry or the economy generally, the emergence of new or growing competitors, the actions or omissions of third parties, including suppliers, customers, competitors and governmental authorities and various other factors. Should any one or more of these risks or uncertainties materialize, or underlying estimates or assumptions prove incorrect, actual results may vary significantly from those expressed in such forward-looking statements, and there can be no assurance that the forward-looking statements contained in this report will in fact occur.

Before deciding to purchase, hold or sell our common stock, you should carefully consider the risks described in our annual report on Form 10-K, in addition to the other cautionary statements and risks described elsewhere in this report and in our other filings with the SEC, including our subsequent reports on Forms 10-Q and 8-K. These risks and uncertainties are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business. If any of these known or unknown risks or uncertainties actually occurs with material adverse effects on us, our business, financial condition and results of operations could be seriously harmed. In that event, the market price for our common stock will likely decline and you may lose all or part of your investment.

RESMED INC. AND SUBSIDIARIES

Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

The following is an overview of our results of operations for the three months ended September 30, 2013. Management's discussion and analysis of financial condition and results of operations is intended to help the reader understand the results of operations and financial condition of ResMed Inc. Management's discussion and analysis is provided as a supplement to, and should be read in conjunction with selected financial data and condensed consolidated financial statements and notes, included herein.

We are a leading developer, manufacturer and distributor of medical equipment for treating, diagnosing, and managing sleep-disordered breathing ("SDB") and other respiratory disorders. During the three months ended September 30, 2013, we continued our efforts to build awareness of the consequences of untreated SDB, and to grow our business in this market. In our efforts, we have attempted to raise awareness through market and clinical initiatives highlighting the relationship between SDB/obstructive sleep apnea and co-morbidities, such as cardiac disease, diabetes, hypertension and obesity, as well as the dangers of sleep apnea in regard to occupational health and safety, especially in the transport industry.

We are committed to ongoing investment in research and development and product enhancements. During the three months ended September 30, 2013, we invested $27.4 million on research and development activities. Since the development of continuous positive airway pressure ("CPAP") therapy, we have developed a number of innovative products for SDB and other respiratory disorders including airflow generators, diagnostic products, mask systems, headgear and other accessories. Our new product release schedule remains active across both our mask and flow generator categories. We are taking steps to increase awareness of the health dangers of SDB by sponsoring educational programs targeted at the primary care physician community. We believe these efforts should further increase awareness of both doctors and patients about the relationship between SDB, obstructive sleep apnea and co-morbidities such as cardiac disease, diabetes, hypertension and obesity. We also believe these efforts should help inform the community of the dangers of sleep apnea in occupational health and safety, especially in the transport industry.

During the three months ended September 30, 2013, our net revenue increased by 5% when compared to the three months ended September 30, 2012. Gross margin was 63.7% for the three months ended September 30, 2013 compared to 61.4% for the three months ended September 30, 2012. Diluted earnings per share for the three months ended September 30, 2013 increased to $0.56 per share, up from $0.49 per share in the three months ended September 30, 2012.

At September 30, 2013, our cash and cash equivalents totaled $976.6 million, our total assets were $2.3 billion and our stockholders' equity was $1.7 billion.

In order to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency fluctuations, we provide certain financial information on a "constant currency basis", which is in addition to the actual financial information presented. In order to calculate our constant currency information, we translate the current period financial information using the foreign currency exchange rates that were in effect during the previous comparable period. However, constant currency measures should not be considered in isolation or as an alternative to U.S. dollars measures that reflect current period exchange rates, or to other financial measures calculated and presented in accordance with U.S. GAAP.

RESMED INC. AND SUBSIDIARIES

Management's Discussion and Analysis of Financial Condition and Results of Operations

Net Revenue

Net revenue increased for the three months ended September 30, 2013 to $357.7 million compared to $339.7 million for the three months ended September 30, 2012, an increase of $17.9 million or 5%. The increase in net revenue is primarily attributable to an increase in unit sales of our flow generators, masks and accessories. Movements in international currencies against the U.S. dollar favorably impacted revenues by approximately $3.6 million for the three months ended September 30, 2013.

Net revenue in North and Latin America increased for the three months ended September 30, 2013 to $201.5 million from $194.4 million for the three months ended September 30, 2012, an increase of 4%. We believe this increase primarily reflects growth in the overall SDB market. Net revenue in markets outside North and Latin America, for the three months ended September 30, 2013, increased to $156.2 million from $145.4 million for the three months ended September 30, 2012, an increase of 7%. We believe this increase in revenue outside North and Latin America primarily reflects growth in the overall SDB market.

Net revenue from the sales of flow generators, including humidifiers, for the three months ended September 30, 2013 totaled $191.8 million, an increase of 6% compared to the three months ended September 30, 2012 of $181.5 million, including increases of 5% in North and Latin America and 7% elsewhere. Net revenue from the sales of masks and other accessories for the three months ended September 30, 2013 totaled $165.9 million, an increase of 5% compared to the three months ended September 30, 2012 of $158.3 million, including increases of 3% in North and Latin America and 9% elsewhere. We believe these increases primarily reflect growth in the overall SDB market.

The following table summarizes the percentage movements in our net revenue for the three months ended September 30, 2013 compared to the three months ended September 30, 2012:

	North and Latin America	International	Total	International (Constant Currency) *	Total (Constant Currency) *
Flow generators	5%	7%	6%	4%	4%
Masks and other accessories	3%	9%	5%	7%	4%
Total	4%	7%	5%	5%	4%

* Constant currency numbers exclude the impact of movements in international currencies.

Gross Profit

Gross profit increased for the three months ended September 30, 2013 to $228.0 million from $208.6 million for the three months ended September 30, 2012, an increase of $19.3 million or 9%. Gross profit as a percentage of net revenue for the three months ended September 30, 2013 increased to 63.7% from 61.4% for the three months ended September 30, 2012.

The improvement in gross margins for the three months ended September 30, 2013 was primarily due to favorable change in product mix as sales of our higher margin products represented a higher proportion of our net revenue, cost savings attributable to the depreciation of the Australian dollar against the U.S. dollar and manufacturing and supply chain improvements, partially offset by declines in our average selling prices.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased for the three months ended September 30, 2013 to $101.3 million from $98.3 million for the three months ended September 30, 2012, an increase of $3.0 million or 3%. Selling, general and administrative expenses, as a percentage of net revenue, were 28.3% for the three months ended September 30, 2013 compared to 28.9% for the three months ended September 30, 2012.

The increase in selling, general and administrative expenses was primarily due to an increase in the number of sales and administrative personnel to support our growth and other expenses related to the increase in our sales. The selling, general and administrative expenses were favorably impacted by the movement of international currencies against the U.S. dollar, which decreased our expenses by approximately $0.8 million for the three months ended September 30, 2013, as reported in U.S. dollars. As a percentage of net revenue, we expect our future selling, general and administrative expenses to be approximately 28%.

Research and Development Expenses

Research and development expenses increased slightly for the three months ended September 30, 2013 to $27.4 million from $27.2 million for the three months ended September 30, 2012, an increase of $0.1 million. Research and development expenses, as a percentage of net revenue, were 7.7% for the three months ended September 30, 2013 compared to 8.0% for the three months ended September 30, 2012.

The increase in research and development expenses was primarily due to an increase in the number of research and development personnel, consulting and contractor expenses and an increase in materials and tooling costs incurred to facilitate development of new products. The research and development expenses were favorably impacted by the movement of international currencies against the U.S. dollar, which decreased our expenses by approximately $2.3 million for the three months ended September 30, 2013, as reported in U.S. dollars. As a percentage of net revenue, we expect our future research and development expenses to be approximately 8%.

Amortization of Acquired Intangible Assets

Amortization of acquired intangible assets for the three months ended September 30, 2013 totaled $2.4 million, compared to $2.6 million for the three months ended September 30, 2012. The reduction in amortization expense is mainly attributable to certain acquired intangibles reaching the end of their useful lives and therefore being fully amortized.

Total Other Income, Net

Total other income, net for the three months ended September 30, 2013 was $5.2 million compared to $10.4 million for the three months ended September 30, 2012. The decrease in total other income, net, was due primarily to losses on foreign currency transactions, and lower net interest income due primarily to lower interest rates on cash balances held.

Income Taxes

Our effective income tax rate of approximately 20.7% for the three months ended September 30, 2013 was lower than our effective income tax rate of approximately 21.6% for the three months ended September 30, 2012. The lower effective income tax rate was primarily due to a change in the geographic mix of our taxable income, including the lower taxes associated with our Singapore and Malaysia manufacturing operations. Our Singapore and Malaysia operations operate under certain tax holidays and tax incentive programs which will expire in whole or in part at various dates through June 30, 2020. As of

Income Taxes, Continued

the quarter ended September 30, 2013, we have not provided for U.S. income taxes for the undistributed earnings of our foreign subsidiaries. These earnings are intended to be permanently reinvested outside the United States.

Net Income

As a result of the factors above and share repurchases, our net income and earnings per share for the three months ended September 30, 2013 was $80.9 million or $0.56 per diluted share compared to net income of $71.3 million or $0.49 per diluted share for the three months ended September 30, 2012, an increase of 14% over the three months ended September 30, 2012.

Liquidity and Capital Resources

As of September 30, 2013 and June 30, 2013, we had cash and cash equivalents of $976.6 million and $876.0 million, respectively. Working capital was $946.9 million and $874.8 million at September 30, 2013 and June 30, 2013, respectively.

As of September 30, 2013 and June 30, 2013, our cash and cash equivalent balances held within the United States amounted to $28.1 million and $38.2 million, respectively. Our remaining cash and cash equivalent balances at September 30, 2013 and June 30, 2013, of $948.5 million and $837.8 million, respectively, were held by our non-U.S. subsidiaries and would be subject to tax if repatriated. If these funds were needed for our operations in the United States, we would be required to accrue and pay United States taxes to repatriate these funds. However, our intent is to permanently reinvest these funds outside of the United States and our current plans do not demonstrate a need to repatriate them to fund our United States operations. Our cash and cash equivalent balances are held at highly rated financial institutions.

Inventories at September 30, 2013 were $175.4 million, a decrease of $17.8 million or 9% over the September 30, 2012 balance of $193.2 million. The decrease in inventories was mainly due to improved inventory management.

Accounts receivable at September 30, 2013 were $282.4 million, an increase of $15.9 million or 6% over the September 30, 2012 accounts receivable balance of $266.5 million. Accounts receivable days outstanding of 69 days at September 30, 2013 was lower than the 71 days at September 30, 2012. Our allowance for doubtful accounts as a percentage of total accounts receivable at September 30, 2013 was 4.2% compared to 3.0% at June 30, 2013. The increase in our allowance for doubtful debts as a percentage of total accounts receivable was predominantly attributable to an additional provision for one customer account during the September 2013 quarter.

During the three months ended September 30, 2013, we generated cash of $90.4 million from operations compared to $78.3 million for the three months ended September 30, 2012. Movements in foreign currency exchange rates during the three months ended September 30, 2013 had the effect of increasing our cash and cash equivalents by $21.7 million, as reported in U.S. dollars. During the three months ended September 30, 2013 and 2012, we repurchased 0.4 million and 0.2 million shares at a cost of $21.1 million and $8.1 million, respectively. During the three months ended September 30, 2013 and 2012, we also paid dividends totaling $35.5 million and $22.8 million, respectively.

Liquidity and Capital Resources, Continued

Capital expenditures for the three months ended September 30, 2013 and 2012 amounted to $16.8 million and $13.8 million, respectively. The capital expenditures for the three months ended September 30, 2013 primarily reflected investment in computer hardware and software, rental and loan equipment and purchase of production tooling equipment and machinery. At September 30, 2013, our balance sheet reflects net property, plant and equipment of $416.7 million compared to $411.4 million at June 30, 2013.

At September 30, 2013, no capital lease obligations exist. Details of contractual obligations at September 30, 2013 are as follows:

	Payments Due by Period						
In $000's	Total	2015	2016	2017	2018	2019	Thereafter
Long Term Debt	$360,808	$360,018	$ —	$ —	$ —	$ —	$ 790
Interest on Long Term Debt	2,936	2,661	38	38	38	38	123
Operating Leases	38,880	15,378	11,150	5,762	2,791	1,138	2,661
Purchase Obligations	91,382	91,382	—	—	—	—	—
Total	$494,006	$469,439	$11,188	$5,800	$2,829	$1,176	$ 3,574

Details of other commercial commitments as at September 30, 2013 are as follows:

	Amount of Commitment Expiration Per Period						
In $000's	Total	2015	2016	2017	2018	2019	Thereafter
Guarantees*	$ 15,595	$ 3,094	$ 563	$ 32	$1,799	$2,488	$ 7,619
Other	1,399	—	280	373	373	373	—
Total	$ 16,994	$ 3,094	$ 843	$ 405	$2,172	$2,861	$ 7,619

* The above guarantees mainly relate to requirements under contractual obligations with insurance companies transacting with our German subsidiaries and guarantees provided under our facility leasing obligations.

Credit Facility

During the year ended June 30, 2011, we entered into a credit agreement with lenders, including Union Bank, N.A., as Administrative Agent, Swing Line Lender and L/C Issuer, HSBC Bank USA, National Association, as Syndication Agent and Union Bank, N.A., HSBC Bank USA, National Association, Commonwealth Bank of Australia and Wells Fargo Bank, N.A. The credit agreement provides a $300 million three-year revolving credit facility, with an uncommitted option to increase the credit facility by an additional $100 million. The credit facility also includes a $10 million sublimit for letters of credit. The credit facility terminates on February 10, 2014, at which time all unpaid principal and interest under the loans must be repaid. The outstanding principal amount due under the credit facility will bear interest at a rate equal to, at our option, either (i) LIBOR plus 1.5% to 2.0% (depending on the applicable leverage ratio) or (ii) a base rate, as defined in the credit agreement, plus 0.5% to 1.0% (depending on the applicable leverage ratio). At September 30, 2013, the interest rate that was being charged on the outstanding principal amount was 1.7%. Commitment fees of 0.25% to 0.375% (depending on the applicable leverage ratio) apply on the unused portion of the credit facility. When we executed the credit agreement, we used a portion of the credit facility's initial funding proceeds to repay the outstanding balance under our previously existing revolving credit facility with Union Bank, N.A., which was then terminated.

Our obligations under the credit agreement are secured by (a) the corporate stock we hold in our subsidiaries ResMed Corp. and ResMed Motor Technologies Inc. ("ResMed Motor"), and (b) up to 65% of the ownership interests we hold in our subsidiary ResMed EAP Holdings LLC ("ResMed EAP"). Our

Credit Facility, Continued

obligations under the credit agreement are also guaranteed by our subsidiaries ResMed Corp and ResMed Motor. The credit agreement contains customary covenants, including certain financial covenants and an obligation that we maintain certain financial ratios, including a maximum ratio of Funded Debt to EBITDA (each as defined in the credit agreement), an interest coverage ratio and a maximum amount of annual capital expenditures. The entire principal amount of the credit facility and any accrued but unpaid interest may be declared immediately due and payable if an event of default occurs. Events of default include failure to make payments when due, a default in the performance of any covenants in the credit agreement or related documents or certain changes of control of us or our subsidiaries ResMed Corp., ResMed Motor, ResMed Limited, ResMed Holdings Ltd/LLC or ResMed EAP.

On January 25, 2012, we entered into a first amendment to the credit agreement. The amendment increases, from $300 million to $400 million, the maximum principal amount that can be borrowed on a revolving basis under the credit agreement, subject to customary conditions

At September 30, 2013, we were in compliance with our debt covenants and there was $360.0 million outstanding under the credit agreement. As the credit facility terminates on February 10, 2014, we are currently finalizing a new financing facility. We expect that the new facility will have similar or more favorable terms to the existing facility and that it will be in place before our existing facility expires.

We expect to satisfy all of our liquidity requirements through a combination of cash on hand, cash generated from operations and debt facilities.

Common Stock

On August 24, 2011, our board of directors approved a new share repurchase program, authorizing us to acquire up to an aggregate of 20.0 million shares of ResMed Inc. common stock. The program allows us to repurchase shares of our common stock from time to time for cash in the open market, or in negotiated or block transactions, as market and business conditions warrant. This program canceled and replaced our previous share repurchase program authorized on May 27, 2009 pursuant to which we had repurchased 10.0 million shares. These were in addition to the 6.6 million shares repurchased under an earlier program authorized on June 6, 2002. The new program authorizes us to purchase in addition to the shares we repurchased under our previous programs. There is no expiration date for this program. All share repurchases since August 24, 2011 have been executed in accordance with this program.

During the three months ended September 30, 2013, we repurchased 0.4 million shares at a cost of $21.1 million. At September 30, 2013, we have repurchased a total of 32.5 million shares at a cost of $1.1 billion. Shares that are repurchased are classified as treasury stock pending future use and reduce the number of shares outstanding used in calculating earnings per share. At September 30, 2013, 4.1 million additional shares can be repurchased under the approved share repurchase program.

RESMED INC. AND SUBSIDIARIES

Management's Discussion and Analysis of Financial Condition and Results of Operations

Critical Accounting Principles and Estimates

The preparation of financial statements in conformity with U.S. GAAP requires us to make estimates and judgments that affect our reported amounts of assets and liabilities, revenues and expenses and related disclosures of contingent assets and liabilities. On an ongoing basis we evaluate our estimates, including those related to allowance for doubtful accounts, inventory reserves, warranty obligations, goodwill, potentially impaired assets, intangible assets, income taxes and contingencies.

We state these accounting policies in the notes to the financial statements and at relevant sections in this discussion and analysis. The estimates are based on the information that is currently available to us and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could vary from those estimates under different assumptions or conditions.

For a full discussion of our critical accounting policies, see our Annual Report on Form 10-K for the year ended June 30, 2013.

Recently Issued Accounting Pronouncements

See note 2 to the condensed consolidated financial statements for a description of recently issued accounting pronouncements, including the expected dates of adoption and estimated effects on our results of operations, financial positions and cash flows.

Off-Balance Sheet Arrangements

As of September 30, 2013, we are not involved in any significant off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K promulgated by the SEC.

RESMED INC. AND SUBSIDIARIES
Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Market Risk

Our reporting currency is the U.S. dollar, although the financial statements of our non-U.S. subsidiaries are maintained in their respective local currencies. We transact business in various foreign currencies, including a number of major European currencies as well as the Australian and Singapore dollar. We have significant foreign currency exposure through both our Australian and Singapore manufacturing activities and international sales operations. We have established a foreign currency hedging program using purchased currency options and forward contracts to hedge foreign-currency-denominated financial assets, liabilities and manufacturing cash flows. The goal of this hedging program is to economically manage the financial impact of foreign currency exposures predominantly denominated in euros, Australian dollars and Singapore dollars. Under this program, increases or decreases in our foreign-currency-denominated financial assets, liabilities, and firm commitments are partially offset by gains and losses on the hedging instruments. We do not enter into financial instruments for trading or speculative purposes. The foreign currency derivatives portfolio is recorded in the condensed consolidated balance sheets at fair value and included in other assets or other liabilities. All movements in the fair value of the foreign currency derivatives are recorded within other income, net, on our condensed consolidated statements of income.

The table below provides information (in U.S. dollars) on our foreign-currency-denominated financial assets by legal entity functional currency as of September 30, 2013 (in thousands):

	Australian Dollar (AUD)	U.S. Dollar (USD)	Euro (EUR)	Singapore Dollar (SGD)	Canadian Dollar (CAD)	Japanese Yen (JPY)	Malaysian Ringgit (MYR)
AUD Functional:							
Assets	—	158,880	73,477	471	—	7	3,604
Liabilities	—	(100,489)	(13,231)	(28)	—	(2,043)	—
Foreign Currency Hedges	—	(40,000)	20,295	—	—	—	—
Net Total	—	18,391	80,541	443	—	(2,036)	3,604
USD Functional:							
Assets	—	—	—	—	8,102	—	—
Liability	—	—	(111)	—	—	—	—
Foreign Currency Hedges	—	—	—	—	(9,708)	—	—
Net Total	—	—	(111)	—	(1,606)	—	—
EURO Functional:							
Assets	29	34	—	—	—	—	—
Liability	(7)	(325)	—	—	—	—	—
Foreign Currency Hedges	—	—	—	—	—	—	—
Net Total	22	(291)	—	—	—	—	—
GBP Functional:							
Assets	—	—	12,396	—	—	—	—
Liability	—	—	(10,677)	—	—	—	—
Foreign Currency Hedges	—	—	—	—	—	—	—
Net Total	—	—	1,719	—	—	—	—
SGD Functional :							
Assets	782	78,881	58,869	—	—	—	—
Liability	(1,824)	(106,555)	(20,323)	—	—	—	—
Foreign Currency Hedges	2,331	32,000	(33,825)	—	—	—	—
Net Total	1,289	4,326	4,721	—	—	—	—
INR Functional :							
Assets	—	32	—	—	—	—	—
Liability	—	(2,552)	(128)	—	—	—	—
Foreign Currency Hedges	—	—	—	—	—	—	—
Net Total	—	(2,520)	(128)	—	—	—	—
MYR Functional:							
Assets	—	4,128	66	—	—	—	—
Liability	(81)	(3,793)	—	(17)	—	—	—
Foreign Currency Hedges	—	—	—	—	—	—	—
Net Total	(81)	335	66	(17)	—	—	—

RESMED INC. AND SUBSIDIARIES
Quantitative and Qualitative Disclosures About Market Risk

Foreign Currency Market Risk, Continued

The table below provides information about our foreign currency derivative financial instruments and presents the information in U.S. dollar equivalents. The table summarizes information on instruments and transactions that are sensitive to foreign currency exchange rates, including foreign currency call options held at September 30, 2013. The table presents the notional amounts and weighted average exchange rates by contractual maturity dates for our foreign currency derivative financial instruments. These notional amounts generally are used to calculate payments to be exchanged under the options contracts.

(In thousands except exchange rates)					Fair Value Assets / (Liabilities)	
Foreign Exchange Contracts	Year 1	Year 2	Year 3	Total	September 30, 2013	June 30, 2013
Receive AUD/Pay USD						
Contract amount	60,000	10,000	—	70,000	(261)	(822)
Ave. contractual exchange rate	AUD 1 = USD 0.9755	AUD 1 = USD 1.0500		AUD 1 = USD 0.9855		
Receive AUD/Pay Euro						
Contract amount	122,000	122,000	—	244,000	(7,432)	(6,985)
Ave. contractual exchange rate	AUD 1 = Euro 0.7839	AUD 1 = Euro 0.8120		AUD 1 = Euro 0. 7977		
Receive SGD/Pay Euro						
Contract amount	34,000	—	—	34,000	(126)	501
Ave. contractual exchange rate	SGD 1 = Euro 0. 5914			SGD 1 = Euro 0. 5914		
Receive AUD/Pay SGD						
Contract amount	2,000	—	—	2,000	106	(193)
Ave. contractual exchange rate	SGD 1 = AUD 0.8957			SGD 1 = AUD 0.8957		
Receive USD/Pay SGD						
Contract amount	32,000	—	—	32,000	(73)	284
Ave. contractual exchange rate	SGD 1 = USD 0.7954			SGD 1 = USD 0.7954		
Receive USD/Pay CAD						
Contract amount	10,000	—	—	10,000	(96)	215
Ave. contractual exchange rate	USD 1 = CAD 1.0404			USD 1 = CAD 1.0404		

Interest Rate Risk

We are exposed to risk associated with changes in interest rates affecting the return on our cash and cash equivalents and debt. At September 30, 2013, we held cash and cash equivalents of $976.6 million principally comprised of bank term deposits and at call accounts and are invested at both short-term fixed interest rates and variable interest rates. At September 30, 2013, we had total long-term debt, including the current portion of those obligations, of $360.8 million of which, $360.0 million is subject to variable interest rates. A hypothetical 10% change in interest rates during the three months ended September 30, 2013, would not have had a material impact on pretax income. We have no interest rate hedging agreements.

Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and in reaching a reasonable level of assurance management necessarily was required to apply its judgment in evaluating the cost benefit relationship of possible controls and procedures.

As required by Rule 13a-15(b) of the Exchange Act, we carried out an evaluation, under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based on the foregoing, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of September 30, 2013.

There has been no change in our internal controls over financial reporting during our most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

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RESMED INC. AND SUBSIDIARIES

Item 1 Legal Proceedings

The information required by this Item is incorporated herein by reference to Note 13, "Legal Actions and Contingencies", to the unaudited condensed consolidated financial statements under Part I, Item 1 of this report.

Item 1A Risk Factors

The discussion of our business and operations should be read together with the risk factors contained in our annual report on Form 10-K for the fiscal year ended June 30, 2013, which was filed with the SEC and describes the various risks and uncertainties to which we are or may become subject. At September 30, 2013, there have been no material changes to the risk factors set forth in our annual report on Form 10-K for the year ended June 30, 2013.

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

Purchases of equity securities. The following table summarizes purchases by us of our common stock during the three months ended September 30, 2013:

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs (1)	Maximum Number of Shares that May Yet Be Purchased Under the Programs(1)
July 2013	0	$ 0	32,026,013	4,549,168
August 2013	356,492	48.88	32,382,505	4,192,676
September 2013	75,203	48.34	32,457,708	4,117,473
Total	431,695	$ 48.79	32,457,708	4,117,473

(1) On August 24, 2011, our board of directors approved a new share repurchase program, authorizing us to acquire up to an aggregate of 20.0 million shares of ResMed Inc. common stock. The program allows us to repurchase shares of our common stock from time to time for cash in the open market, or in negotiated or block transactions, as market and business conditions warrant. The program authorizes us to purchase in addition to the shares we repurchased under our previous programs. There is no expiration date for this program. All share repurchases since August 24, 2011 have been executed in accordance with this program. Since the inception of the share buyback programs, we have repurchased 32.5 million shares at a total cost of $1.1 billion.

Item 3 Defaults Upon Senior Securities

None

Item 4 Mine Safety Disclosures

None

Item 5 Other Information

None

Item 6 Exhibits

Exhibits (numbered in accordance with Item 601 of Regulation S-K)

3.1	First Restated Certificate of Incorporation of ResMed Inc., as amended. [(1)]
3.2	Fifth Amended and Restated Bylaws of ResMed Inc. [(2)]
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. [(1)]
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. [(1)]
32	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. [(1)]
101	The following financial statements from ResMed Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, filed on October 30, 2013, formatted in XBRL: (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Income, (iii) Condensed Consolidated Statements of Comprehensive Income, (iv) Condensed Consolidated Statements of Cash Flows, (v) the Notes to the Condensed Consolidated Financial Statements.

(1) Filed herewith.
(2) Incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K/A filed on September 17, 2012.

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.

October 30, 2013

ResMed Inc.

/s/ **MICHAEL J. FARRELL**
Michael J. Farrell
Chief executive officer
(Principal Executive Officer)

/s/ BRETT A. SANDERCOCK
Brett A. Sandercock
Chief financial officer
(Principal Financial Officer)

CERTIFICATE OF INCORPORATION, AS AMENDED

FIRST RESTATED CERTIFICATE OF INCORPORATION
OF
RESMED INC.

ResMed Inc., a corporation organized and existing under the laws of the State of Delaware (hereinafter referred to as the "Corporation"), hereby certifies as follows:

1. The name of the Corporation is ResMed Inc. The Corporation was originally incorporated under the name ResCare Medical Systems Ltd., and the original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on March 31, 1994.

2. Pursuant to Section 245 of the General Corporation Law of the State of Delaware, this First Restated Certificate of Incorporation only restates and integrates and does not further amend the provisions of the Certificate of Incorporation of the Corporation as theretofore amended or supplemented, and there is no discrepancy between those provisions and the provisions of this First Restated Certificate of Incorporation.

3. The text of the Certificate of Incorporation as heretofore amended or supplemented is hereby restated to read in its entirety as follows:

"FIRST: The name of the corporation is:

ResMed Inc. (hereinafter referred to as the "Corporation").

SECOND: The address of the registered and principal office of the Corporation in this state is c/o 15 East North Street, in the City of Dover, County of Kent, State of Delaware 19901 and the name of the registered agent at said address is United Corporate Services, Inc.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the corporation laws of the State of Delaware.

FOURTH: a) The Corporation shall be authorized to issue the following shares of Capital Stock:

Class	Number of Shares	Par Value
Common Stock	100,000,000	$ 0.004
Preferred Stock	2,000,000	$ 0.01

b) The designations and the powers, preferences and rights, and the qualifications or restrictions thereof are as follows:

The Preferred Stock shall be issued from time to time in one or more series, with such distinctive serial designations as shall be stated and expressed in the resolution or resolutions providing for the issue of such shares from time to time adopted by the Board of Directors; and in such resolution or resolutions providing for the issuance of shares of each particular series, the Board of Directors is expressly authorized to fix the annual rate or rates of the dividends for the particular series; the dividend payment dates for the particular series and the date from which dividends on all shares of such series issued prior to the record date for the first dividend payment date shall be cumulative; the redemption price or prices for the particular series; the voting powers for the particular series; the rights, if any, of the holders of the shares of the particular series to convert the same into shares of any other series or class or other securities of the Corporation, with any provisions for the subsequent adjustment of such conversion rights; and to classify or reclassify any unissued shares by fixing or altering from time to time any of the foregoing rights, privileges and qualifications.

All shares of Preferred Stock of any one series shall be identical with each other in all respects, except that shares of any one series issued at different times may differ as to the dates from which dividends thereon shall be cumulative; and all Preferred Stock shall be of equal rank, regardless of series, and shall be identical in all respects except as to the particulars fixed by the Board as hereinabove provided or as fixed herein.

The Certificate of Designations of Series A Junior Participating Preferred Stock attached hereto as Exhibit A is incorporated herein by reference (the "Amended Certificate of Designations"). The Amended Certificate of Designations restates the Certificate of Designations of Series A Junior Participating Preferred Stock, filed with the Secretary of State of the State of Delaware on March 18, 1999, to integrate only the Certificate of Increase in Authorized Number of Series A Junior Participating Preferred Stock, filed with the Secretary of State of the State of Delaware on October 1, 1999.

FIFTH: The following provisions are inserted for the management of the business and for the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

(1) The number of directors of the Corporation shall be such as from time to time shall be fixed by, or in the manner provided in the bylaws. Election of directors need not be by ballot unless the bylaws so provide.

(2) The Board of Directors shall have power without the assent or vote of the stockholders:

(a) To make, alter, amend, change, add to or repeal the Bylaws of the Corporation; to fix and vary the amount to be reserved for any proper purpose; to authorize and cause to be executed mortgages and liens upon all or any part of the property of the Corporation; to determine the use and disposition of any surplus or net profits; and to fix the times for the declaration and payment of dividends.

(b) To determine from time to time whether, and to what times and places, and under what conditions the accounts and books of the Corporation (other than the stock ledger) or any of them, shall be open to the inspection of the stockholders.

(3) The directors in their discretion may submit any contract or act for approval or ratification at any annual meeting of the stockholders or at any meeting of the stockholders called for the purpose of considering any such act or contract, and any contract or act that shall be approved or be ratified by the vote of the holders of a majority of the stock of the Corporation which is represented in person or by proxy at such meeting and entitled to vote thereat (provided that a lawful quorum of stockholders be there represented in person or by proxy) shall be as valid and as binding upon the Corporation and upon all the stockholders as though it had been approved or ratified by every stockholder of the Corporation, whether or not the contract or act would otherwise be open to legal attack because of directors' interest, or for any other reason.

(4) In addition to the powers and authorities hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation; subject, nevertheless, to the provisions of the statutes of Delaware, of this certificate, and to any bylaws from time to time made by the stockholders; provided, however, that no bylaws so made shall invalidate any prior act of the directors which would have been valid if such by-law had not been made.

SIXTH: No director shall be liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except with respect to (1) a breach of the director's duty of loyalty to the Corporation or its stockholders, (2) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (3) liability under Section 174 of the Delaware General Corporation Law or (4) a transaction from which the director derived an improper personal benefit, it being the intention of the foregoing provision to eliminate the liability of the Corporation's directors to the Corporation or its stockholders to the fullest extent permitted by Section 102(b)(7) of the Delaware General Corporation Law, as amended from time to time. The Corporation shall indemnify to the fullest extent permitted by Sections 102(b)(7) and 145 of the Delaware General Corporation Law, as amended from time to time, each person that such Sections grant the Corporation power to indemnify.

SEVENTH: Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the Corporation under the provisions of Section 291 of Title 8 of the Delaware Code or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of Section 279 Title 8 of the Delaware Code, order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths (3/4) in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

EIGHTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this certificate of incorporation in the manner now or hereafter prescribed by law, and all rights and powers conferred herein on stockholders, directors and officers are subject to this reserved power."

IN WITNESS WHEREOF, the Corporation has caused this First Restated Certificate of Incorporation to be signed by Peter C. Farrell, its Chief Executive Officer and President, this 5th day of March, 2001.

RESMED INC.,

a Delaware corporation

By: **/s/ PETER C. FARRELL**

Peter C. Farrell
Chief Executive Officer and President

EXHIBIT A

AMENDED CERTIFICATE OF DESIGNATIONS
OF
SERIES A JUNIOR PARTICIPATING PREFERRED STOCK
OF
RESMED INC.

(Pursuant to Section 151 of the Delaware General Corporation Law)

RESMED INC., a corporation organized and existing under the General Corporation Law of the State of Delaware (hereinafter called the "*Corporation*"), hereby certifies that the following resolution was adopted by the Board of Directors of the Corporation as required by Section 151 of the General Corporation Law at a meeting duly called and held on April 15, 1997, and was amended, as set forth herein, to increase the authorized number of Series A Junior Participating Preferred Stock from 150,000 to 250,000 shares on October 1, 1999.

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors of this Corporation (hereinafter called the "*Board of Directors*" or the "*Board*") in accordance with the provisions of the Certificate of Incorporation, the Board of Directors hereby creates a series of Preferred Stock, par value $.01 per share (the "*Preferred Stock*"), of the Corporation and hereby states the designation and number of shares, and fixes the relative rights, preferences, and limitations thereof as follows:

Series A Junior Participating Preferred Stock:

Section 1. *Designation and Amount*. The shares of such series shall be designated as "Series A Junior Participating Preferred Stock" (the "*Series A Preferred Stock*") and the number of shares constituting the Series A Preferred Stock shall be 250,000. Such number of shares may be increased or decreased by resolution of the Board of Directors; *provided,* that no decrease shall reduce the number of shares of Series A Preferred Stock to a number less than the number of shares then outstanding plus the number of shares reserved for issuance upon the exercise of outstanding options, rights or warrants or upon the conversion of any outstanding securities issued by the Corporation convertible into Series A Preferred Stock.

Section 2. *Dividends and Distributions*.

(A) Subject to the rights of the holders of any shares of any series of Preferred Stock (or any similar stock) ranking prior and superior to the Series A Preferred Stock with respect to dividends, the holders of shares of Series A Preferred Stock, in preference to the holders of Common Stock, par value $.004 per share (the "*Common Stock*"), of the Corporation, and of any other junior stock, shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the first day of March, June, September and December in each year (each such date being referred to herein as a "*Quarterly Dividend Payment Date*"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) $1.00 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions, other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock since the immediately preceding Quarterly Dividend Payment Date or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Preferred Stock. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision, combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Preferred Stock as provided in paragraph (A) of this Section 2 immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of $1.00 per share on the Series A Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be not more than 60 days prior to the date fixed for the payment thereof.

Section 3. *Voting Rights*. The holders of shares of Series A Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision, combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the number of votes per share to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein, in any other Certificate of Designations creating a series of Preferred Stock or any similar stock, or by law, the holders of shares of Series A Preferred Stock and the holders of shares of Common Stock and any other capital stock of the Corporation having general voting rights shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) Except as set forth herein, or as otherwise provided by law, holders of Series A Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. *Certain Restrictions*.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends, or make any other distributions, on any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock;

(ii) declare or pay dividends, or make any other distributions, on any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except dividends paid ratably on the Series A Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock, provided that the Corporation may at any time redeem, purchase or otherwise acquire shares of any such junior stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Preferred Stock; or

(iv) redeem or purchase or otherwise acquire for consideration any shares of Series A Preferred Stock, or any shares of stock ranking on a parity with the Series A Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any Subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. *Reacquired Shares*. Any shares of Series A Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and canceled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock subject to the conditions and restrictions on issuance set forth herein, in the Certificate of Incorporation, or in any other Certificate of Designations creating a series of Preferred Stock or any similar stock or as otherwise required by law.

Section 6. *Liquidation, Dissolution or Winding Up*. Upon any liquidation, dissolution or winding up of the Corporation, no distribution shall be made (1) to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Preferred Stock unless, prior thereto, the holders of shares of Series A Preferred Stock shall have received $100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment, provided that the holders of shares of Series A Preferred Stock shall be entitled to receive an aggregate amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount to be distributed per share to holders of shares of Common Stock, or (2) to the holders of shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Preferred Stock, except distributions made ratably on the Series A Preferred Stock and all such parity stock in proportion to the total amounts to which the holders of all such shares are entitled upon such liquidation, dissolution or winding up. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision, combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the aggregate amount to which holders of shares of Series A Preferred Stock were entitled immediately prior to such event under the proviso in clause (1) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that are outstanding immediately prior to such event.

Section 7. *Consolidation, Merger, etc*. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case each share of Series A Preferred Stock shall at the same time be similarly exchanged or changed into an amount per share, subject to the provision for adjustment hereinafter set forth, equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time declare or pay any dividend on the Common Stock payable in shares of Common Stock, or effect a subdivision, combination or consolidation of the outstanding shares of Common Stock (by reclassification or otherwise than by payment of a dividend in shares of Common Stock) into a greater or lesser number of shares of Common Stock, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Preferred Stock shall be adjusted by multiplying such amount by a fraction, the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. *No Redemption*. The shares of Series A Preferred Stock shall not be redeemable.

Section 9. *Rank*. The Series A Preferred Stock shall rank, with respect to the payment of dividends and the distribution of assets, junior to all series of any other class of the Corporation's Preferred Stock, except to the extent that any such other series specifically provides that it shall rank on a parity with or junior to the Series A Preferred Stock.

Section 10. *Amendment*. The Certificate of Incorporation of the Corporation shall not be amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Preferred Stock so as to affect them adversely without the affirmative vote of the holders of at least two-thirds of the outstanding shares of Series A Preferred Stock, voting together as a single class.

IN WITNESS WHEREOF, the Corporation has caused this Amended Certificate of Designations of Series A Junior Participating Preferred Stock to be signed by Peter C. Farrell, its Chief Executive Officer and President, this 5th day of March, 2001.

RESMED INC.,

a Delaware corporation

By: **/s/ PETER C. FARRELL**
Peter C. Farrell
Chief Executive Officer and President

CERTIFICATE OF AMENDMENT
OF THE RESTATED
CERTIFICATE OF INCORPORATION
OF
RESMED INC.,
A DELAWARE CORPORATION

ResMed Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (this "Corporation"), DOES HEREBY CERTIFY:

1. The name of the Corporation is ResMed Inc. The Corporation was originally incorporated under the name ResCare Medical Systems Ltd., and the original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on March 31, 1994.

2. That the Board of Directors of this Corporation, acting pursuant to the authority of Section 141(f) of the General Corporation Law of the State of Delaware, adopted a resolution setting forth a proposed amendment of the Certificate of Incorporation of this Corporation. The resolution setting forth the proposed amendment is as follows:

"NOW, THEREFORE, BE IT RESOLVED, that the Restated Certificate of Incorporation of this Corporation be amended by changing the first paragraph of Article Fourth thereof so that, as amended, the first paragraph of Article Fourth shall read in its entirety as follows:

"FOURTH: a) The Corporation shall be authorized to issue the following shares of Capital Stock:

Class	Number of Shares	Par Value
Common Stock	200,000,000	$ 0.004
Preferred Stock	2,000,000	$ 0.01

3. This Amendment of the Restated Certificate of Incorporation was duly adopted by the holders of a majority of the issued and outstanding shares of the Common Stock of the Corporation, par value $0.004 per share, in accordance with the provisions of Sections 222 and 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF the undersigned has caused this Certificate of Amendment to be duly executed as of the 9th day of May, 2006.

RESMED INC.,

a Delaware corporation

By: **/s/ PETER C. FARRELL**
Peter C. Farrell
Chief Executive Officer and President

STATE OF DELAWARE
CERTIFICATE OF AMENDMENT
OF CERTIFICATE OF INCORPORATION
OF
RESMED INC.

ResMed Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "Corporation") does hereby certify:

1. The Corporation was originally incorporated under the name ResCare Medical Systems Ltd. and the original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware ("Secretary of State") on March 31, 1994. The Corporation's First Restated Certificate of Incorporation was subsequently filed with the Secretary of State on March 19, 2001 and was subsequently amended and filed with the Secretary of State on May 9, 2006, (hereinafter, collectively, the "Certificate of Incorporation").

2. The Board of Directors of the Corporation adopted a resolution setting forth a proposed amendment of the Certificate of Incorporation, declaring said amendment to be advisable and calling a meeting of the stockholders of said Corporation for consideration thereof. The resolution setting forth the proposed amendment is as follows:

RESOLVED: that Article FOURTH of the Certificate of Incorporation of the Corporation be amended so that, as amended, said Article shall read in its entirety as follows:

"FOURTH: a) The Corporation shall be authorized to issue the following shares of Capital Stock:

Class	Number of Shares	Par Value
Common Stock	350,000,000	$ 0.004
Preferred Stock	2,000,000	$ 0.01"

3. That this Amendment of the Certificate of Incorporation was duly adopted by the holders of a majority of the issued and outstanding shares of the Common Stock, of the corporation, par value $0.004 per share, in accordance with the provisions of Section 222 and 242 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, the Corporation has caused this certificate to be signed this 12th day of November, 2010.

RESMED INC.,

a Delaware corporation

/s/ **DAVID PENDARVIS**
David Pendarvis, Corporate Secretary

RESMED INC. AND SUBSIDIARIES
CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Michael J. Farrell, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ResMed Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 30, 2013

/s/ **MICHAEL J. FARRELL**
Michael J. Farrell
Chief executive officer
(Principal Executive Officer)

RESMED INC. AND SUBSIDIARIES
CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Brett A. Sandercock, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ResMed Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal controls over financial reporting, or caused such internal controls over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 30, 2013

/s/ BRETT A. SANDERCOCK
Brett A. Sandercock
Chief financial officer
(Principal Financial Officer)

RESMED INC. AND SUBSIDIARIES
CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of ResMed Inc., a Delaware corporation (the "Company"), hereby certifies, to his knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2013 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

October 30, 2013

/s/ **MICHAEL J. FARRELL**
Michael J. Farrell
Chief executive officer
(Principal Executive Officer)

A signed original of this written statement required by Section 906 has been provided to ResMed Inc. and will be retained by ResMed Inc. and furnished to the Securities and Exchange Commission or its staff upon request. This certification will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor will this certification be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.

RESMED INC. AND SUBSIDIARIES
CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Pursuant to 18 U.S.C. § 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of ResMed Inc., a Delaware corporation (the "Company"), hereby certifies, to his knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2013 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

October 30, 2013

/s/ BRETT A. SANDERCOCK
Brett A. Sandercock
Chief financial officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to ResMed Inc. and will be retained by ResMed Inc. and furnished to the Securities and Exchange Commission or its staff upon request. This certification will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor will this certification be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.